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4 UNITED STATES DISTRICT COURT
5 CENTRAL DISTRICT OF CALIFORNIA
6 SOUTHERN DIVISION

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8 THE HONORABLE DAVID O. CARTER, JUDGE PRESIDING

9
10 JAMES R. GLIDEWELL DENTAL
11 CERAMICS, INC., Plaintiff,

12 vs.

SACV-11-1309-DOC

13 KEATING DENTAL ARTS, INC.,
14 Defendant.

15
16 REPORTER'S TRANSCRIPT OF PROCEEDINGS

17 Hearing on Motions

18 Santa Ana, California

19 Friday, December 21, 2012
20

21 SHARON A. SEFFENS, RPR
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1 SANTA ANA, CALIFORNIA; FRIDAY, DECEMBER 21, 2012; 4:30 P.M.

2 THE COURT: Counsel, let me start off because I
3 started off inartfully before. Here are some initial
4 feelings and concerns about Docket No. 84. Docket 84 is
5 Defendant's Motion for Summary Judgment as to No
6 Infringement of Glidewell's Registered Trademark. Is that
7 correct? Why don't you check your docket numbers and make
8 certain.

9 MR. GRAVES: That's correct.

10 THE COURT: Tentatively, I'm prepared concerning
11 Defendant's Motion for Summary Judgment as to no
12 infringement to grant that motion.

13 I think that the defendant has shown that the
14 plaintiff has failed to establish at least one element of
15 the trademark infringement, namely, that there is a
16 likelihood of confusion between the parties' marks.

17 The Court is well-aware that the Ninth Circuit
18 considers eight factors to determine the likelihood of
19 confusion between the parties' marks: (1) strength of the
20 plaintiff's mark; (2) proximity of the goods; (3) similarity
21 of the marks; (4) evidence of actual confusion; (5)
22 marketing channels used; (6) type of goods and the degree of
23 care likely to be exercised by the purchaser; (7)
24 defendant's intent in selecting the mark; and (8) likelihood
25 of expansion of the product lines.

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1 Here, tentatively, I feel the plaintiff has a
2 relatively weak mark, and I am inclined to find that it's
3 suggestive; also, that the defendant's mark is substantially
4 not similar, particularly considering the relatively
5 sophisticated customer base. And that's dentists who know
6 the products well.

7 Tentatively, plaintiff's mark, "BruxZir," is a
8 composite of bruxer (the common term for someone who grinds
9 his teeth) and zirconia (the material used to manufacture
10 it). It suggests the product: a zirconia crown made for
11 bruxers.

12 Second, defendant's mark, "KDZ Bruxer," taken as a
13 whole, is not similar. While both feature the root "brux,"
14 (also featured in many similar products related to
15 tooth-grinding and bruxism), defendant's mark prominently
16 features at the beginning of the mark a series of
17 identifying initials that have nothing to do with
18 plaintiff's mark. Also, KDZ is in much larger type than the
19 word "Bruxer" in the logo in which the mark generally
20 appears.)

21 While some of the Sleekcraft factors (the factors
22 used to determine likelihood of confusion) do weigh in favor
23 of confusion, they are far outweighed by the fundamental
24 difference between these marks.

25 For example, the fact that the products associated

1 with the marks are the same (dental crowns), and are
2 marketed in the same channels as competitors, does weigh in
3 favor of likelihood of confusion.

4 However, overall, the Sleekcraft factors
5 tentatively show there is no genuine dispute of material
6 fact that infringement has occurred.

7 Those are thoughts and subject to argument here
8 today.

9 Concerning the Motion for Summary Judgment
10 canceling plaintiff's registration (Docket No. 83), I'm
11 inclined to deny that motion.

12 My initial thoughts were that plaintiff's mark is
13 federally registered and entitled to a strong presumption of
14 validity.

15 The mark, "BruxZir," is clearly not generic as
16 alleged by the defendant.

17 I believe that it is suggestive, as the composite
18 includes pieces of the words "Bruxer" and "Zirconia,"
19 suggesting a dental crown made of zirconia that treats
20 bruxism. It does not describe the product, as a degree of
21 imagination is needed in order to arrive at the product.

22 I tentatively feel Keating has not presented facts
23 sufficient to establish, as a matter of law, that the mark
24 "BruxZir" is not entitled to trademark protection.

25 Concerning the third motion that you have brought

1 before the Court -- it's Plaintiff's Motion for Summary
2 Judgment as to Trademark Misuse, Unfair Competition, Unclean
3 Hands, Fair Use, and Estoppel, which would be Docket No.

4 79 -- I am inclined to grant it in part and deny it in part.

5 First, I'm inclined to grant Plaintiff's Motion
6 for Partial Summary Judgment on Defendant's Third
7 Counterclaim for Misuse of Trademark.

8 Misuse of trademark I don't feel is an independent
9 cause of action, as plaintiff correctly points out. It is,
10 at best, an affirmative defense.

11 Second, I'm inclined to grant Plaintiff's Motion
12 for Partial Summary Judgment on Defendant's Second
13 Counterclaim for Unfair Competition under the UCL and
14 California common law.

15 Regarding the statutory claim, I think plaintiff
16 correctly points out that the defendant does not have
17 standing to assert this claim, and it has not pled or shown
18 facts establishing economic injury caused by the alleged
19 unfair business practices.

20 Defendant only presents evidence alleging economic
21 injury caused by the present litigation. Plaintiff's
22 litigation cannot be considered unfair business practices
23 under the UCL.

24 There is a litigation privilege under the UCL in
25 California immunizing litigants from UCL suits based on

1 litigation.

2 Similarly, under federal Noerr-Pennington
3 doctrine, those who petition the government for redress by
4 litigating claims are generally immune from liability for
5 bringing such litigation. This is not a sham litigation
6 that would fall under the exception to the Noerr-Pennington
7 immunity.

8 Regarding the common law claim, defendant does not
9 oppose the portion of plaintiff's motion that seeks
10 dismissal of defendant's unfair competition claim under
11 California common law. I looked at defendant's opposition
12 for that proposition.

13 Third, because the Court is finding tentatively
14 that defendant is entitled to summary judgment on the issue
15 of trademark infringement, the portions of this motion
16 related to defendant's affirmative defenses -- unclear
17 hands, classic fair use, and estoppel -- appears to this
18 Court to be moot.

19 The fourth motion you brought, Plaintiff's Motion
20 for Partial Summary Judgment as to Trademark Infringement,
21 which is Docket No. 89, I'm inclined to deny that motion.
22 Because the Court may find that defendant is entitled to
23 summary judgment on the issue of trademark infringement, I
24 don't think the Plaintiff's Cross-Motion for Summary
25 Judgment must necessarily be denied.

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1 Finally, the last motion, which is a Motion for
2 Partial Summary Judgment as to Defendant's Invalidity
3 Defense, I think should be denied as moot.

4 Similarly, because I find that the plaintiff is
5 entitled to summary judgment that it has not infringed on
6 plaintiff's mark, this motion concerning defendant's
7 invalidity defense, which I did not rely on in coming to
8 these tentative thoughts, is moot.

9 That's a pretty far-ranging synopsis of some
10 initial thoughts I've got, but that's why you are here for
11 argument. Don't be concerned about the time. I don't care
12 who starts. You are going to have two rounds. You are
13 certainly welcome to more than 30 or 45 minutes.

14 MR. GRAVE: Thank you, Your Honor. As counsel for
15 the plaintiff, I believe it's appropriate that we go first.

16 THE COURT: Sure.

17 MR. GRAVES: Before we start, we have some
18 demonstrative exhibits.

19 THE COURT: I am not going to look at those and
20 take notes also. In other words, you can put those up on
21 the screen. You can use the elmo if you would like to. You
22 are more than welcome to, but what I don't find helpful to
23 me in argument is peering down at documents and then paying
24 attention to your argument. So if you want to use elmo,
25 that way I can see them on the screen. After your

1 presentation, just leave them with me.

2 MR. GRAVES: Thank you, Your Honor.

3 So, Your Honor, I will address the infringement
4 motions.

5 THE COURT: I want you to refer to them by docket
6 number.

7 MR. GRAVES: That will be Docket No. 84. We will
8 submit on the papers with respect to Docket No. 89. That's
9 our infringement motion. So I will be addressing in
10 particular Defendant's Motion for Summary Judgment of
11 Noninfringement, Docket 84. I will also be addressing to
12 the extent necessary any issues regarding the misuse motion.
13 Unfortunately, I don't have that docket number handy.

14 THE COURT: Just a minute.

15 (Pause in proceedings.)

16 MR. JANKOWSKI: Seventy-nine.

17 MR. GRAVES: Thank you.

18 THE COURT: So you are going to address 84 and 79?

19 MR. GRAVES: That's correct.

20 THE COURT: Who is going to address the others?

21 MR. GRAVES: My colleague, Mr. Shaw.

22 THE COURT: Mr. Shaw, you are going to address 88,
23 is that correct, and 83?

24 MR. SHAW: 83 and -- is it 88, the invalidity
25 defense? I'm sorry. I don't have it in my notes here.

1 THE COURT: It's 82.

2 Okay, counsel, 84.

3 MR. GRAVES: The Court has indicated as I
4 understand it the primary concerns it has with respect to
5 plaintiff's necessary showing on likelihood of confusion
6 relates to the similarity of the marks in light of the type
7 of goods and degree of care that are likely to be exercised
8 by relevant consumers, which here would be dentists.

9 I believe the Court indicated that in the Court's
10 view the "BruxZir" mark is suggestive. Your Honor, we would
11 agree with that. We believe the mark is suggestive.
12 However, that does not necessarily mean that it's a weak
13 mark. There is case authority that indicates that in the
14 absence of any evidence of commercial strength that a
15 suggestive mark while it is always inherently distinctive
16 may in fact be weak for the purpose of likelihood of
17 confusion, but that's not the situation that we have here.

18 Glidewell has submitted a large volume of evidence
19 showing the commercial strength of the "BruxZir" mark.
20 Under the Ninth Circuit case law and Southern District case
21 law that we submitted with our briefing, that is sufficient
22 to convert what would otherwise be potentially a weak mark
23 into a strong mark. For example, you will find that type of
24 analysis in the Century 21 case, a Ninth Circuit case that
25 we cited and discussed in our briefs.

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1 So the fact that the market is suggestive here in
2 light of all of the evidence of commercial strength, which
3 by the way, much of it -- and I would submit most of it --
4 is undisputed -- Your Honor, that evidence consists of --
5 well, for example, the fact that Glidewell has spent
6 approximately \$3 million advertising goods under the mark in
7 the last three-and-a-half years is undisputed. The fact
8 that Glidewell has engaged in an extensive promotional and
9 marketing campaign using direct mail sent quarterly to
10 nearly the entire population of dentists in the United
11 States, again undisputed; the fact that Glidewell has
12 engaged in a consist and pervasive promotional effort in
13 dental industry magazines, at least ten different magazines
14 that are identified in the declaration of James Schuck, who
15 is Glidewell's Vice-President of Sales and Marketing, again
16 undisputed; the fact that Glidewell sends its
17 representatives to dozens of trade shows every year; the
18 fact that Glidewell extensively promotes under its "BruxZir"
19 mark on the internet; the fact that Glidewell promotes its
20 goods under the "BruxZir" mark in videos and training
21 sessions that reaches thousands of dentists every year --
22 all of this is undisputed.

23 There is also undisputed evidence that the goods
24 under the "BruxZir" mark are promoted and sold by a network
25 of approximately 180 BruxZir-authorized labs that buy

1 zirconia milling blanks from Glidewell and color liquid from
2 Glidewell and take that and make BruxZir brand dental crowns
3 and bridges. These are authorized labs.

4 They use the materials that are provided to them
5 by Glidewell. They make the BruxZir brand product using
6 instructions for use that are provided to them by Glidewell
7 and are updated routinely. And all of these different
8 authorized BruxZir labs promote the BruxZir product. In
9 fact, the vast majority of them promote it through --
10 identifying it as BruxZir with the registered symbol, the
11 "R" in the circle, on their websites.

12 Under 17 USC Section 1055, all of this use by
13 these BruxZir-authorized labs iners to the benefit of
14 Glidewell and further demonstrates and iners to the
15 commercial strength of the "BruxZir" mark.

16 In addition to the evidence which was submitted
17 incidentally by the defendant in its Exhibit 136 -- there
18 are approximately 120 different website printouts from
19 different BruxZir-authorized labs that the defendant
20 submitted -- plaintiff submitted declarations from four. We
21 could have submitted much more, but we chose to submit four
22 declarations from people who work at these
23 BruxZir-authorized labs explaining how they use the
24 "BruxZir" mark to promote the BruxZir brand goods that they
25 make using the materials that are supplied to them by

1 Glidewell. All of this goes to further demonstrate the
2 commercial strength of the mark. It is all undisputed.

3 Your Honor, we have submitted a large amount of
4 evidence from dentists showing that all of these promotional
5 and marketing efforts, which stand on their own -- I mean,
6 if you look at the Century 21 case, for example, and other
7 cases that we cited, you will see that evidence of
8 promotional and marketing expenditures stand alone to
9 demonstrate commercial strength, but we submitted more than
10 that.

11 We submitted declarations from actual dentists,
12 the target population, the relevant consumer universe, for
13 the BruxZir brand goods and for Keating's KDZ Bruxer goods.
14 These dentists say, yes, we are very aware of the "BruxZir"
15 mark. To us, it identifies a single source of goods. It
16 identifies the superlative quality for dental crowns and
17 bridges. We're aware of it. The BruxZir brand and
18 Glidewell's efforts to promote and market goods under the
19 BruxZir brand has in fact penetrated the relevant consumer
20 market.

21 That's not only in the declarations of various
22 third-party dentists, but it is also in the declaration of
23 Michael De Tolla, who is a dentist at Glidewell. It's in
24 the declaration of Dr. Goldstein, who is an expert witness.
25 So there is a wealth of evidence showing commercial

1 strength.

2 It's undisputed that the BruxZir brand crowns are
3 the most widely prescribed brand of full contour zirconia
4 crowns in the U.S. It's undisputed. It's undisputed that
5 1.2 million BruxZir crowns and bridges worth \$120 million
6 have been sold from July 2009 to September 2012, over a span
7 of just three years. Again all undisputed. It's undisputed
8 that bruxzir.com has garnered approximately 290,000 unique
9 page views, 78 percent of which are from within the U.S.
10 Your Honor, as a point of reference, the entire population
11 of dentists in the U.S. numbers only approximately 125,000.

12 So as you can see, the marketing and promotional
13 efforts of Glidewell for goods under the BruxZir brand have
14 been phenomenally successful. The company and the BruxZir
15 brand goods have achieved wide recognition in the industry
16 and a large number of awards. Again undisputed. A large
17 number of articles have been written about it. Again
18 undisputed.

19 In fact, Your Honor, even Keating -- Keating
20 submitted declarations from a number of dentists. They
21 submitted those declarations of course in support of their
22 efforts to demonstrate that the mark is invalid, but there
23 are some interesting statements that are contained in those
24 declarations. For example, all of them said that they
25 received calls from Keating employees telling them that

1 BruxZir is a brand name of another lab. Even Keating
2 acknowledges in its communications with dentists, the
3 relevant population, that BruxZir is a brand name. A number
4 of those dentists indicated that they were previously aware
5 of the BruxZir brand or the "BruxZir" mark used in
6 connection with dental crowns and bridges from a variety of
7 different sources. Here, they were clearly referring to the
8 BruxZir-authorized labs. All of that goes to demonstrate
9 the commercial strength of the mark.

10 We also have evidence that the "BruxZir" mark is
11 relatively unique in its field. That's in the declaration
12 of Professor Franklyn.

13 So how does that relate to the issue that the
14 Court identified as being of concern? Well, as I said, in
15 the Century 21 case and others, the Court has acknowledged
16 that evidence of commercial strength can convert what would
17 otherwise be a weak mark for purposes of likelihood of
18 confusion into a strong mark. Here, for the purpose of this
19 summary judgment motion, the evidence of commercial strength
20 is undisputed. What that means for the Court's analysis
21 with respect to likelihood of confusion is that this
22 suggestive mark is in fact a strong mark.

23 So let's take a look at the issue concerning the
24 similarity of the marks. Now, as I understand it, Your
25 Honor, one of the primary causes of concern for the Court is

1 that if you line the two marks up -- Glidewell's "BruxZir"
2 mark stands alone, and Keating's mark has a KDZ in front of
3 Bruxer. As I understand it, the Court's concern is that the
4 KDZ serves as an independent source identifier that would
5 negate any possibility of confusion.

6 In this case, that is not true, and the evidence
7 does not support that conclusion. Here is why, Your Honor.
8 Again, if you look at the fact that Glidewell in effect
9 markets its BruxZir brand products not only from Glidewell,
10 the company, but also through its network of nearly 200
11 BruxZir-authorized labs, it is entirely plausible that any
12 dentist who takes a look at, for example, the Keating
13 website or who takes a look at a Keating marketing brochure
14 which says "KDZ Bruxer" and it says "Keating Dental Arts" up
15 in the upper left that that dentist could believe and
16 conclude that Keating was simply another authorized BruxZir
17 lab selling BruxZir product. In other words, the fact that
18 the dentist knows that they are buying product from Keating
19 is simply irrelevant here because there is a network of 180
20 BruxZir-authorized labs selling BruxZir brand product.

21 It's similar to the situation that you find with
22 car dealerships, for example. You can have a Larry Green
23 Ford or a Cal Worthington Ford. The important part of that
24 mark isn't the indicator of who owns that dealership, Larry
25 Green or Cal Worthington. It's the second part. It's the

1 Ford.

2 It's a very similar situation here. Because
3 Glidewell sells through dozens and dozens of third-party
4 dental labs just like Keating, the knowledge on the part of
5 the consumer, the dentist, that they are buying a crown from
6 Keating is relevant because that purchase could still be
7 motivated by confusion as to whether or not what Keating is
8 selling is authorized BruxZir product.

9 So really what the Court needs to look at is not
10 the KDZ, which within the context of the program of
11 authorized BruxZir labs is really irrelevant -- it doesn't
12 stand as a sufficiently independent indication of source --
13 but, rather, at the root word which is "Bruxer" on Keating's
14 part and "BruxZir" with respect to Glidewell's brand. If
15 you line those up and take a look at them, they are of
16 course very similar.

17 Let's take a look at a couple of the principles
18 that guide us when evaluating similarity of the marks.
19 First, we know from the Official Airline Guides v. Goss case
20 (Ninth Circuit 1993), 6 F.3d 1385, there is a diminished
21 standard of similarity that is applied when comparing marks
22 of closely related goods. Here it is undisputed that the
23 goods are closely related. In fact, they are identical
24 goods. Glidewell sells dental crowns and bridges under the
25 "BruxZir" mark. Keating sells dental crowns and bridges

1 under its "KDZ Bruxer" mark. The goods aren't just closely
2 related, but they are identical. Therefore, a diminished
3 standard of similarity applies. That's in the Ninth
4 Circuit.

5 Commercial strength further reinforces
6 similarities, commercial strength with respect to the mark.
7 As we have shown here, the facts showing commercial strength
8 for the "BruxZir" mark are undisputed.

9 The Court must also consider how marks appear in
10 the marketplace. What is particularly relevant here is that
11 the goods don't appear side by side. Dentists don't go to a
12 supermarket and look at a shelf where you have got boxes of
13 KDZ Bruxer goods and boxes of BruxZir brand goods side by
14 side where they can carefully compare the differences
15 between the two marks.

16 Instead, what you have is at one point a dentist
17 might be in the market for a full contour zirconia crown,
18 and then perhaps a week later or a month later they might
19 again be in the market for a full contour zirconia crown.
20 They are not going to have the two brands sitting side by
21 side. The differences between the two brands are not going
22 to be in focus in the mind of a consumer when the consumer
23 makes the buying decision. So that again is a factor that
24 tends to undermine or diminish the significance of
25 differences between the marks and diminish the standard of

1 similarity that is required.

2 So in terms of looking at the marks themselves,
3 there are of course differences as the Court points out.
4 Keating's mark has a KDZ in front of it as we have shown.
5 Here, within the context of these two companies, these marks
6 and these goods, that lacks the significance it might
7 otherwise have.

8 With respect to other aspects of the marks, as the
9 Court can see in the comparison, the marks have similar
10 fonts. You can compare Plaintiff's Exhibits 3, 8, 12, 17,
11 and 18 to Plaintiff's Exhibit 16 to get an idea of the
12 overall similarities between the marks. The dominant
13 component of the KDZ mark, which is Bruxer because the KDZ
14 has little, if any, significance as a source identifier for
15 the reasons we have discussed -- the Bruxer component is
16 nearly identical to the "BruxZir" mark for Glidewell.

17 You will also note if you take a look at the
18 exhibits that I referenced and that we submitted with our
19 papers that the backgrounds for the advertisements typically
20 appear fairly similar. In other words, the marks will
21 appear on ad copy in which there is a smiling woman showing
22 off the dental crown that she just got, or there will be a
23 photo of a dental crown just standing alone. The
24 backgrounds for the advertising, the context in which the
25 mark is used in the ad copy of the two companies, is very

1 similar. That again supports a finding of similarity.

2 The Ninth Circuit applies a sight, sound, and
3 meaning -- I don't know if it's a test, but it is guidance
4 with respect to evaluating the similarity of marks. As we
5 have shown, while there are some differences, there are also
6 significant similarities between the two marks. The Ninth
7 Circuit has instructed that similarities are to be weighed
8 more heavily than differences.

9 With respect to the sound element, Keating has
10 asserted quite strenuously that BruxZir -- the term "bruxer"
11 and "BruxZir," the mark, are phonetically equivalent. In
12 fact, two of its dentists, Dr. Nassir in Paragraph 11 of his
13 declaration, and Dr. Stevens in Paragraph 12 of his
14 declaration, make the same statement. With respect to that
15 issue, Keating has submitted evidence that undermines its
16 own summary judgment motion. So with respect to the sound
17 component of the sight, sound, and meaning trilogy, that
18 supports in favor of a finding that the marks are similar.

19 With respect to the meaning component, again, this
20 is another set of facts that are undisputed. It's
21 undisputed that the marks, both "KDZ Bruxer" and the
22 "BruxZir mark," suggest an identical meaning, a crown or
23 bridge that is hard enough to be indicated for use for
24 patients who brux and that is made of zirconia.

25 So there are substantial similarities in terms of

1 the look of the marks. The sound when speaking the marks
2 according to Keating is identical. And the meaning connoted
3 by the two marks it is undisputed is identical. So,
4 therefore, under the test required by the Ninth Circuit,
5 certainly for purposes of Keating's summary judgment motion,
6 there simply is no basis to find that there is an absence of
7 a genuine issue of fact.

8 We also have direct expert testimony on this
9 point. That would be the declaration of Dr. Goldstein at
10 paragraph 26 and also at paragraph 19, who stated in his
11 declaration that the similarity in appearance, sound, and
12 meaning between the two marks overcome whatever differences
13 there may be. Dr. Goldstein speaks from the perspective of
14 a dentist, one who is in the relevant consumer universe.

15 Now, Your Honor, I would like to take just a
16 moment and show you a couple of these slides which I think
17 help to make the point which I think is really critical here
18 regarding the effect or impact of the fact that Glidewell
19 sells product and that BruxZir brand goods are sold not just
20 by Glidewell directly but also by the network of
21 BruxZir-authorized labs, again, labs just like Keating.

22 So here is how --

23 THE COURT: I'm happy to look at them if you would
24 like me to, but it's hard for me to take notes and --

25 MR. GRAVES: Your Honor, can you see that? Is

1 that okay?

2 THE COURT: Yes.

3 MR. GRAVES: So here is an ad. It's a website
4 printout, one of Keating's -- it's Exhibit 136 -- from one
5 of the authorized BruxZir labs. You see you have the name
6 of the dental lab, Bauer. Then right underneath you have
7 the ad copy for BruxZir. What you will notice is that there
8 is no reference at all to Glidewell. So this dental lab is
9 selling BruxZir brand goods that did in fact fabricate using
10 materials that it obtained from Glidewell with absolutely no
11 reference to Glidewell at all. That's perfectly appropriate
12 by the way. There is no requirement in trademark law that
13 the authorized BruxZir lab refer to Glidewell, and there is
14 no requirement that Glidewell force the authorized BruxZir
15 labs to do so.

16 Let's take a look at another one. Here is another
17 one of the 180 authorized BruxZir labs. This is Creodont
18 Prosthetics. Again, what you see here is you have got the
19 BruxZir name, the BruxZir brand, and no reference at all to
20 Glidewell. So these are just two of the 180 different
21 BruxZir-authorized labs that sell BruxZir brand product.
22 Dentists will call up any of these third-party
23 BruxZir-authorized labs and obtain genuine BruxZir product.
24 So it's entirely plausible that a dentist would do the same
25 with Keating.

1 Your Honor, let's take a look just to drive the
2 point home -- Your Honor, this is an image of a Keating
3 advertisement. It's Plaintiff's Exhibit 76. This shows how
4 Keating sells -- or one of the ways in which Keating sells
5 and promotes its KDZ Bruxer product. You will notice it's
6 actually very similar to the two website printouts from the
7 BruxZir-authorized labs that we just looked at. You have
8 Keating Dental Arts in the upper left, and then you have the
9 name of the product right underneath.

10 So, again, here it would be perfectly plausible
11 for a dentist to look at this to see this ad copy, and due
12 to the similarities in the marks, among many other
13 factors -- the proximity of the goods, the similarity of the
14 marketing channels, the commercial strength of the "BruxZir"
15 mark -- to plausibly believe at least upon first glance that
16 this is a BruxZir brand product or that there is an
17 affiliation between Keating and Glidewell.

18 Now, Your Honor, there are different types of
19 confusion that are actionable under the Lanham Act. One
20 type of confusion is when you buy your product you think you
21 are buying product X when really you are buying product Y
22 because of the similarities in the marks. Here we have
23 copious evidence of actual confusion. That is the 86
24 prescription forms and the associated call log notes,
25 Exhibit 15, which Glidewell submitted with its brief.

1 By the way, yesterday afternoon Keating filed an
2 objection to Exhibit 15 objecting that it's hearsay. We
3 would submit that that objection was filed far too late, but
4 in the event that the Court considers it, the objection is
5 spurious. This type of evidence, the prescription forms,
6 lab call notes and so on, fall within the state of mind
7 exception to the hearsay rule. That's been held to be the
8 case by the Ninth Circuit in the Lahodie case. We cited it
9 and discussed it. I can give you that cite. It's 636 F.3d
10 501 at 509 (Ninth Circuit 2011). And the Converse v.
11 Converse Agent case, which is a Central District case also
12 looked at this exact issue and rejected that type of
13 objection. It appears to be largely rejected by the courts
14 within the Ninth Circuit.

15 In any event, back to the evidence, Plaintiff's
16 Exhibit 15 consists of the prescription forms and call notes
17 which Keating produced showing different dentists who when
18 they ordered product from Keating wrote "BruxZir,"
19 B-r-u-x-Z-i-r, oftentimes with the unique internal
20 capitalization of the "Z" that is contained in the
21 commercial representation of the BruxZir brand, and now
22 Keating has pointed to that evidence as evidence of generic
23 use. We obviously contend that it is not.

24 For purposes of this summary judgment motion, of
25 course the Court must draw all inferences in favor of the

1 nonmoving party, for Glidewell. Glidewell points to that
2 evidence as evidence of actual confusion on the part of
3 dentists, the relevant consumer population, caused by
4 Keating's use of the "KDZ Bruxer" mark. You have got
5 dentists actually writing on their prescription form "Send
6 me a BruxZir," B-r-u-x-Z-i-r.

7 That evidence supports an inference of actual
8 confusion regarding what the dentists are buying, whether
9 they know that they are buying a completely separate product
10 that has nothing to do with BruxZir, which seems unlikely
11 given that dentists are requesting that Keating sell them
12 the BruxZir brand crowns or bridges that they are
13 prescribing in these prescription forms, but it can also
14 reflect what is known as initial interest confusion.

15 In the Ninth Circuit, the Second Circuit, and
16 other Circuits, initial interest confusion is shown or
17 exists where a consumer is confused by the similarity of
18 marks at the initial stage of the decisionmaking process for
19 buying a product but then learns of the differences between
20 the products before actually making the purchase. What the
21 Ninth Circuit in the Brookfield case said was that, you
22 know, that's really a form of trading on the goodwill of the
23 senior user's mark by the junior user. Even if the consumer
24 figures out by the time they buy the product that what they
25 are buying is not what they initially thought they were

1 going to buy, still the fact that the similarities between
2 the two marks caused them to be confused -- even if only for
3 a brief period of time it was enough to cause them to
4 consider the defendant's good, the junior user's good, when
5 they otherwise might not have, that's a form of trading on
6 the goodwill of the senior mark. It's actionable under the
7 Lanham Act.

8 It goes all the way back to the 1975
9 Grotrian-Steinweg case in the Second Circuit which involved
10 pianos. There was a company that sold pianos under the
11 "Grotrian-Steinweg" mark. The Second Circuit said, well,
12 you know, even if people who buy pianos -- even if they
13 wouldn't be likely -- when they actually buy the piano, if
14 they believe it's a Steinway, still due to the similarities
15 between the two marks, they could easily be initially
16 confused, and as a result of that initial confusion consider
17 buying a Grotrian-Steinweg piano when they otherwise would
18 not have.

19 We would submit that even with Keating's purported
20 policy of calling up dentists and informing them -- the
21 dentists who write "BruxZir" on their prescription form and
22 informing them, hey, we are not BruxZir. This is KDZ
23 Bruxer. BruxZir is a trademark of other company. Do you
24 still want our product, and the dentists say, yes, we do --
25 that that perfectly reflects initial interest. You have got

1 a dentist saying sell me a BruxZir, and then you have got a
2 Keating employee calling them up saying, hey, we have a
3 different product. I would submit that it's highly unlikely
4 that there isn't some selling going on when those Keating
5 employees are calling up these dentists. And then the
6 dentist says, well, okay, I will go forward with the KDZ
7 Bruxer. That is initial interest confusion, and it is
8 actionable in the Ninth Circuit.

9 I would submit that even if the Court credits
10 Keating's purported evidence of its policy of calling up
11 these dentists that that does not address the evidence in
12 its own prescription form of initial interest confusion.
13 Again, Your Honor, within the context of summary judgment
14 where the Court must draw reasonable inferences in favor of
15 the nonmoving party, Keating has not foreclosed the
16 possibility and, in fact, indeed the probability, of at
17 least initial interest confusion here.

18 Your Honor, I would also like to point out going
19 back to the KDZ argument that there is very little evidence
20 that KDZ is recognized as Keating's house mark. Now, they
21 assert it in their brief, but all they have is the
22 declaration -- or all they cite to anyway is a declaration
23 from Dr. Campbell who said he recognized KDZ as a house mark
24 in 2009 when he was buying a different KDZ product and a Dr.
25 Stevens who only speaks to his own understanding.

1 If you look at the other evidence they submitted,
2 they submitted a handful of brochures which were
3 authenticated by Mr. Keating. What you will note if you
4 read his declaration that there is no evidence that any of
5 these brochures were ever distributed to anyone but existing
6 Keating customers. There is no evidence that this purported
7 house mark has been marketed or promoted to the community of
8 dentists in general. In fact, Keating admits that it
9 significantly reduced its advertising of the KDZ Bruxer
10 product and brand in December 2011 after only about eight
11 months of launching the product.

12 So here within the context of this case, the fact
13 that dentists could easily believe that they are buying
14 authorized BruxZir product from Keating; the lack of any
15 evidence that KDZ, the purported house mark, had been
16 extensively promoted; there is simply insufficient evidence
17 on which to premise a summary judgment motion entered
18 against Glidewell on the issue of the similarity of the
19 marks.

20 Now, let's return to the -- I know the Court
21 didn't mention -- I believe it didn't mention actual
22 confusion, but I think that's very relevant here. Actual
23 confusion is one of the eight Sleekcraft factors. It's not
24 a requirement for a finding of infringement, but where it
25 exists it is considered highly probative of likely

1 confusion.

2 Here, we have really two different buckets of
3 evidence of actual confusion. First, we have the Nicole
4 Fallon declaration which Glidewell submitted recounting a
5 discussion with Dr. Lee. Now, what happened there was there
6 was a communication between Dr. Lee's office, Michelle
7 Carlyle, the assistant for Dr. Lee, and Nicole Fallon at
8 Glidewell. There is some dispute over who called who first,
9 but that's irrelevant. The fact is that Dr. Lee's office
10 asked for a discount on future Glidewell product. That was
11 a promotion that was being offered by Glidewell at the time.

12 Ms. Fallon at Glidewell asks Ms. Carlyle to send
13 in the invoice for the Glidewell BruxZir crown that Ms.
14 Carlyle said had previously been purchased. Well, what Ms.
15 Carlyle, Dr. Lee's assistant, sent to Glidewell was an
16 invoice for a Keating KDZ Bruxer. So Ms. Fallon at
17 Glidewell then calls up Dr. Lee's office confused. Why did
18 you send us a Keating invoice? Well, Dr. Lee gets on the
19 phone, joins in the conversation. What Dr. Lee, the
20 dentist, said is I believed that KDZ Bruxer and BruxZir were
21 the same thing, you know, reflected her perspective that
22 this was very sneaky on the part of Keating.

23 That evidence isn't being submitted obviously to
24 prove that Keating is sneaky. What it is being submitted to
25 prove or to show is the state of mind of Dr. Lee. Dr. Lee

1 was confused by the similarities between the two marks and
2 thought that what was in fact KDZ Bruxer was a BruxZir brand
3 crown. That's direct evidence of actual confusion.

4 In addition to that, of course we have the 86
5 prescription forms and the associated call log notes, which
6 were submitted by Glidewell. Now, let's take a look at a
7 couple of those because I think they are very indicative of
8 the fact that confusion here is not just likely, but it has
9 in fact occurred.

10 First, let's take a look at the -- before I do
11 this, of course, some of this product has been marked for
12 "Attorney's Eyes Only," so before I put this up on the
13 screen, I would like to be confirm that that's acceptable.

14 MS. ZADRA-SYMES: I don't know what it is you are
15 putting up. Before counsel puts the exhibit up on the
16 screen, may I confer with my client for just one minute?

17 THE COURT: Yes.

18 (Pause in proceedings.)

19 MS. ZADRA-SYMES: We would just like to point out
20 we do have an issue between counsel that is ongoing right
21 now regarding disclosure of "Attorney's Eyes Only"
22 information. We just want to make sure that there are not
23 going to be other disclosures. If it is just those three
24 documents and the dentist and patient are not going to be
25 identified --

1 THE COURT: If it's for "Attorney's Eyes Only" --
2 this is taking my time now. If it's for "Attorney's Eyes
3 Only," then anybody else can wait outside.

4 MR. GRAVES: Mr. Pritchard has already stepped
5 outside.

6 Is there anyone else you are concerned with?

7 MS. ZADRA-SYMES: That's fine.

8 THE COURT: Are you sure?

9 MS. ZADRA-SYMES: Yes. Thank you, Your Honor.

10 THE COURT: Counsel.

11 MR. GRAVES: So let's take a look at one of these.
12 This is one of the sets of prescription forms and the
13 associated call log that's in Glidewell's Exhibit 15. What
14 you will see on the left is you have the prescription form,
15 and you will see it's from the Kickaboo Private Health
16 Center. The physician's named is blocked out. What you
17 will see on the left is No. 30 and then BruxZir,
18 B-r-u-x-Z-i-r, just like Glidewell's mark. The No. 30
19 refers to the particular tooth that is involved.

20 So this is a prescription that was sent by the
21 dentist at the Kickaboo Private Health Center to Keating on
22 a Keating prescription form asking for a BruxZir. This is
23 exactly what a dentist would do to order a BruxZir brand
24 crown from any authorized BruxZir lab.

25 On the right, you have what we have been calling

1 the call log report. Really it's more than that. It's an
2 internal Keating document that reflects the goods that were
3 sold and other information about the order. What you will
4 see under "Instructions" there is a date of October 14,
5 2011, and then that's it.

6 Now, in the call log reports that Keating
7 produced, typically what you see is under "Instructions"
8 there will be a date or maybe two or three dates, and what
9 typically is reflected there is a series of communications
10 between an employee at Keating and the dentist that
11 submitted the prescription form. Sometimes what you see
12 there are notations made by the Keating employee indicating
13 that he has spoken with the dentist or someone in the
14 dentist's office, has told the dentist or the assistant that
15 BruxZir is a trade name or a proprietary name for someone
16 else, and asking whether they want to go forward with the
17 Keating KDZ Bruxer brand product. Then oftentimes there is
18 an indication that the dentist wants to proceed.

19 Of course on all of the call logs that Keating
20 produced to us, there is an indication that the dentist
21 wants to ultimately decide to proceed with the Keating
22 product. But you will see on some of them there are no such
23 instructions. The reason I am pointing this out to the
24 Court is that Keating submitted a declaration from a Robert
25 Brandon, who states, well, we called every single one of

1 these dentists who submitted a prescription form requesting
2 a BruxZir crown. We explained to all of them the
3 differences between the product, and they all said that
4 after having this explanation that they wanted to go forward
5 with the Keating product.

6 Well, in fact, Mr. Brandon as we pointed out in
7 our evidentiary objections is incompetent to make that
8 statement, because it's clear if the Court reviews the call
9 log notes in Plaintiff's Exhibit 15 -- you will see there
10 are typically initials. You'll see them on the next one. I
11 guess there are some here at the very end of that date and
12 the time tag under "Instructions." There are typically
13 initials. Mr. Brandon is on a few, a handful, of these call
14 log reports, but most of them are someone else, so
15 Mr. Brandon wasn't competent to make that statement. That's
16 not even admissible.

17 In addition, what you see is that in Keating's own
18 evidence there are a number of these dentists who requested
19 a BruxZir crown who do not appear ever to have had any
20 explanation from anyone at Keating concerning any
21 differences between the BruxZir brand crown that they
22 requested plainly on the prescription form and the KDZ
23 Bruxer crown that they were sold.

24 Your Honor, we know that Keating sold them a KDZ
25 Bruxer because that's right here, KDZ Bruxer. That's what

1 Keating sent them. What we have is a dentist requesting a
2 BruxZir crown, and what they get is a KDZ Bruxer. That
3 dentist could easily have believed that what he was getting
4 was a BruxZir product because of the similarities between
5 the two products, and it's evidenced by the fact that that's
6 what he asked for.

7 Let's take a look at another one of these sets of
8 prescription forms and call log notes. On this one, you
9 will see that there is a fair amount of notations under the
10 "Instructions" heading. This is a similar scenario. What
11 we have is a dentist, Dr. Ortiz, who asks for a BruxZir.
12 There we see it. "Please use BruxZir" on the left. That's
13 right here. So what happened? Well, what we see is that a
14 Keating employee calls Dr. Ortiz's office. Ultimately what
15 transpires -- if you look at the very bottom of this screen
16 under "Instructions," the difference is explained between
17 KDZ Bruxer and BruxZir. The doctor says, "Okay to proceed
18 with KDZ Bruxer."

19 Now, that characterization of the discussion
20 between the Keating employee and the doctor is perfectly
21 consistent with the conclusion that what happened here was a
22 sale driven by initial interest confusion. The doctor asks
23 for a BruxZir crown. She gets a call from a Keating
24 employee who explains the differences between the product.
25 And I think it's a reasonable inference to draw that this

1 Keating employee would extol the benefits of the KDZ Bruxer
2 product over the BruxZir brand crown, and then the
3 doctor tells him it's okay to proceed with the KDZ Bruxer.
4 That is exactly -- that reflects the poster child for
5 initial interest confusion.

6 Your Honor, here we have another one. This is
7 just a subset. There are 18 of these combinations of
8 prescription forms and the call log notes that are contained
9 in Plaintiff's Exhibit 15 that contain language identical or
10 similar to the "Okay to proceed with KDZ Bruxer." This is a
11 similar situation. We have a dentist requesting a BruxZir
12 crown, and then over on the right we see: "Jim spoke with
13 the doctor. Proceed with us doing the case." That's
14 interesting language to use. Again, it's perfectly
15 consistent with a finding of initial interest confusion. So
16 they sell the KDZ Bruxer. That's how they fill the order.

17 So what we have here, Your Honor, is a large
18 number of prescription forms where a dentist appears on the
19 face of the prescription to be asking for a BruxZir brand
20 product. We have Keating trying to explain it away saying
21 that they called and spoke with all of these doctors, but we
22 know from the evidence that that's not true with respect to
23 at least some of these doctors. They never spoke with them.
24 They just filled the order. And we know with respect to the
25 doctors that they did speak with that the scenario that

1 played out is perfectly consistent with initial
2 interest confusion.

3 They haven't foreclosed the likelihood of initial
4 interest confusion as shown by the evidence of their own
5 prescription forms. So, again, within the context of
6 summary judgment, that's more than sufficient to create a
7 genuine issue of fact with respect to the likelihood of
8 confusion even given the differences in the appearance of
9 the marks.

10 Now let's take a look at one more of these, and
11 then I will move on. This one really stands in a class by
12 itself. This is a prescription form that was sent to
13 Keating by a Dr. Kopmeier. It's in very, very small type.
14 What you can see right down here -- again, this is
15 Plaintiff's Exhibit 15 -- is that the doctor requested a
16 BruxZir, B-r-u-x-Z-i-r crown.

17 If you take a look at the call log, what do you
18 see? Well, you see that a Keating employee contacted the
19 doctor. The doctor asked for Keating to call. The Keating
20 employee calls the doctor. What does the Keating employee
21 write on the form? He says, "Spoke with doctor. He would
22 like to use the BruxZir crown." The doctor would like to
23 use the BruxZir crown, not KDZ Bruxer, but the BruxZir
24 crown. So what does Keating do? Keating fills the order
25 with a KDZ Bruxer crown. This is clear evidence of

1 profiting from the confusion of Dr. Kopmeier from Keating's
2 own records.

3 Now, Keating also submitted declarations from a
4 number of dentists, 13 different dentists, out of this
5 universe of 86. The declarations are all highly similar,
6 but what the Court will note is that the declarations are
7 largely consistent with a finding that these dentists
8 experienced initial interest confusion. In other words,
9 what these dentists typically say is, well, when I ordered a
10 KDZ Bruxer crown, I wanted to order product from Keating. I
11 knew I was ordering from Keating. I didn't want to order
12 from Glidewell, and I didn't think I was ordering from
13 Glidewell. That's all fine. This is just a subset of 13 of
14 the 86 instances of actual confusion. But even within that
15 subset of 13, even if they knew they wanted product from
16 Keating when they ordered it, and they knew they were
17 getting product from Keating, and they didn't want product
18 from Glidewell -- even within that subset of 13, that is
19 consistent with and does not foreclose the possibility of
20 initial interest confusion.

21 So we have a wealth of evidence of actual
22 confusion, actual point of sale confusion by dentists who
23 were not apprised of any differences between the products,
24 and initial interest confusion as well. We have Dr. Lee,
25 Dr. Kopemeier, actual point of sale confusion.

1 The evidence here is really quite extraordinary.
2 When you place it in comparison with what you typically see
3 in the trademark cases out of the Central District and out
4 of the Ninth Circuit where even a handful -- two, three,
5 four, eight -- of instances of actual confusion are found to
6 support a finding of likelihood of confusion, here we have
7 far more than that. So I would submit, Your Honor, that
8 that evidence as well forecloses or precludes entry of
9 summary judgment against Glidewell.

10 Your Honor, I will try to get through the rest of
11 it quickly. The Court has acknowledged -- it's undisputed
12 here that the goods are identical and that the marketing
13 channels are virtually identical. Those factors of course
14 weigh in fact of Glidewell.

15 With respect to the degree of care, the Court
16 indicated that that was one of the drivers of its concerns
17 regarding possible lack of sufficient similarity between the
18 marks, but degree of care doesn't really help Keating here
19 because, again, so much of the factual underpinnings of the
20 likelihood of confusion are undisputed. It's undisputed
21 here that the BruxZir crowns and KDZ Bruxer crowns have
22 similar features and are indicated for the same uses. It's
23 undisputed that many dentists may regard them as
24 interchangeable. Everything I am telling you that is
25 undisputed is reflected in Keating's statement of genuine

1 issues as undisputed. It's undisputed that the properties
2 in the crowns are highly similar because they are made of
3 the same material. There is absolutely no evidence that
4 dentists in general exercise a high degree of care in
5 selecting a particular brand of crown.

6 Now, Keating's response is to try this for
7 questioning the professionalism of dentists, and, of course,
8 that's not what we are doing. What we are pointing out is a
9 lack of evidence that dentists consider the particular brand
10 of crown to be of sufficient import that they are going to
11 focus on the particular brand of the crowns that they are
12 using to a sufficient degree that the differences between
13 the "KDZ Bruxer" and "BruxZir" marks would outweigh the
14 differences in the minds of these dentists who are not
15 seeing them side by side.

16 The only piece of evidence that Keating actually
17 submits in this regard is the declaration of Dr. Eggleston.
18 All he states he is careful in selecting particular dental
19 labs to work with. A dental lab can fabricate multiple
20 brands of crowns. That's reflected in their prescription
21 forms that Keating submitted in Exhibit 37. Many, many
22 dental labs will offer a BruxZir brand crown or any number
23 of different brands.

24 So the fact that you are careful about a
25 particular dental lab doesn't speak to the issue here, which

1 is the degree of care exercised in selecting a full-contour
2 all-zirconia crown. Given that these crowns definitionally
3 are made of the same material, all zirconia, which typically
4 drives the fundamentality of the crown and the indicated
5 use, they are highly interchangeable. Therefore, it's a
6 reasonable inference to draw that dentists are not going to
7 exercise and do not exercise a high degree of care in
8 selecting a particular brand of a full contour zirconia
9 crown. Certainly Keating hasn't submitted the evidence
10 sufficient to foreclose and issue of fact on this point.
11 Keating's own prescription forms are often filled out by
12 their assistants. In many instances, it's not even the
13 dentist who are filling out the forms. It's their
14 assistants.

15 Your Honor, we have submitted evidence concerning
16 Keating's intent. Again, most of it is undisputed. It's
17 undisputed that Keating selected the KDZ Bruxer name in the
18 spring of 2011. It's undisputed that by that time Glidewell
19 had spent about \$1.75 million promoting goods under the
20 "BruxZir" mark, so Keating must have known of the mark.
21 It's undisputed that Keating when it was in the process of
22 selecting a name commissioned a trademark search report,
23 performed extensive review of plaintiff's journal ads in
24 which Glidewell was massively promoting the BruxZir product,
25 conducted an informal trademark search, and conducted

1 informal surveys of Keating clients. That's all undisputed.
2 The only reasonable conclusion to draw from that is that
3 Keating knew of the "BruxZir" mark and brand when it
4 selected "KDZ Bruxer." Under Ninth Circuit authority, that
5 knowledge supports an inference of intent to deceive. There
6 is absolutely no contrary evidence that has been proffered
7 by Keating here. None.

8 So, Your Honor, we have walked through the
9 factors. Just to wrap up on this, while there are
10 differences in the appearance of the marks, the undisputed
11 evidence of commercial strength for the "BruxZir" mark, as
12 well as the fact that the BruxZir brand products are sold
13 through a network of 180 different authorized labs just like
14 Keating, undermines the strength of the fact that they have
15 a "KDZ" preface for the "KDZ Bruxer" mark under which they
16 sell their dental crowns and bridges.

17 Your Honor, we have submitted quite a number of
18 cases -- I believe six to eight cases -- in which the courts
19 have found marks that are not identical but that share a
20 suffix -- here, the suffix really is bruxer for KDZ Bruxer
21 and the entire "BruxZir" mark for Glidewell in which in that
22 scenario the marks have been found to be confusingly
23 similar. Here, given the lack of the source-identifying
24 significance of KDZ, given the fact that it's undisputed
25 that the meaning of KDZ Bruxer and BruxZir are identical,

1 given the similarities in the appearance, given Keating's
2 position that they are phonetically identical, the
3 similarity factor actually lines up in favor of Glidewell,
4 and at the very least, it is not sufficiently one-sided in
5 Keating's favor to support entry of summary judgment against
6 Glidewell.

7 Your Honor, do you have any questions regarding
8 any aspect of the likelihood of confusion analysis?

9 THE COURT: Not in the first round. I'm
10 listening.

11 Check with your counsel and make sure you have
12 covered everything you would like.

13 (Plaintiff's counsel conferring.)

14 MR. GRAVES: Your Honor, I believe you did
15 indicate that with respect to Docket No. 79, the motion
16 concerning the counterclaims and affirmative defenses, that
17 you are inclined to grant several -- well, grant the motion
18 with respect to Keating's second counterclaim and third
19 counterclaim. So, of course, Your Honor, we will submit on
20 the papers with respect to those aspects of the motion and
21 reserve the right to offer rebuttal should Keating's counsel
22 choose to argue it.

23 You have indicated that you believe that the
24 affirmative defenses aspect is moot in light of your
25 tentative. While we of course hope that your final is

1 different from your tentative in that regard, I believe that
2 we will just submit on the papers with respect to the
3 aspects of Exhibit 79 that are directed to the affirmative
4 defenses.

5 THE COURT: Why don't you consult for just a
6 moment with your colleagues.

7 (Plaintiff's counsel conferring.)

8 MR. GRAVES: Then of course with respect to
9 Glidewell's Motion for Summary Judgment on Infringement,
10 Docket No. 81, we will submit on the papers with respect to
11 81 and on the argument that I have already made with respect
12 to Keating's motion.

13 Now, Your Honor, there is a second group of
14 motions. Those are the motions directed to cancellation and
15 validity of the mark. My colleague, Mr. Shaw, will be
16 addressing those. So, Your Honor, at the Court's
17 discretion, we can either move right into the discussion
18 concerning that motion, or we could allow Keating's counsel
19 some rebuttal with respect to my argument on infringement.

20 THE COURT: It's up to you. Do you want to take
21 this argument and rebut at this time, or do you want to do
22 it all in one setting, and they conclude their total
23 argument?

24 MR. JANKOWSKI: Why don't we rebut the argument he
25 has made already.

1 THE COURT: Okay.

2 MR. JANKOWSKI: Thank you, Your Honor.

3 THE COURT: Counsel.

4 MR. JANKOWSKI: There are two themes that for me
5 have come out of Glidewell's arguments. Again, we are
6 talking about Docket 84 here. This is Keating's motion of
7 infringement or noninfringement. That is basically ignoring
8 or running away from the word "bruxer," b-r-u-x-e-r, and the
9 significance that it has to the customer population in this
10 case.

11 "Bruxer" itself is a word that is well-known to
12 dentists. It's taught in dental school. There is plenty of
13 evidence that has been submitted in this case that it refers
14 to somebody who subconsciously grinds their teeth, a
15 particular type of patient with a particular type of problem
16 that it has. If you are a dentist, you clearly are aware of
17 the different dental problems that arise and the different
18 classes of patients that you deal with.

19 So you have to start off -- all of the analysis
20 that you do on this motion and in fact on all of the motions
21 I think that are pending before the Court -- of course you
22 have to look at them through the perspective of a dentist.
23 Right off the bat you need to understand the importance of
24 that word "bruxer" to a dentist and the fact that it has
25 special meaning to them. That theme repeats itself in

1 several Sleekcraft factors. It shows up in effect and
2 influences a lot of the arguments that Glidewell is making.
3 What Glidewell does in making its arguments it ignores or
4 pretends that dentists don't have a clear understanding of
5 what that word "bruxer" means.

6 The second theme I want to point out for the Court
7 is that Glidewell would talk about evidence, the evidence it
8 has of strength of the mark, the evidence it has of
9 confusion. The evidence that we are talking about here is
10 evidence that's in the form of a state of mind, what people
11 are thinking about. So if its evidence of infringement in
12 the form of confusion, it's are the dentists who are the
13 customers at issue here -- are they confused? What is going
14 on in their minds? Is the mark strong?

15 Well, the way you answer that question is by
16 finding out what's in the heads of the dentists that are out
17 there. Glidewell sells its product all over the country, as
18 does Keating, and dentists all over the country are exposed
19 to the marketing materials and to the solicitation of
20 products. The question really for this Court to answer here
21 is are these dentists around the country likely to be
22 confused by Keating's mark in view of Glidewell's registered
23 mark?

24 Now, when Mr. Graves was talking about evidence,
25 you notice he didn't provide declarations from dentists from

1 around the country, and, in particular, he did not provide
2 anything like survey evidence, which of course was normally
3 done in a case like this. Glidewell is a massive company.
4 It dwarfs any other dental lab in the country. The normal
5 approach to show the world that you have a strong mark is to
6 take survey data and establish it through a rigorous proper
7 investigation showing the mark with the right customers.

8 The proper way to be showing that people are
9 confused again can be done through survey evidence.
10 Glidewell has done none of that in this case. Instead, what
11 they call evidence of confusion is their attorney
12 interpreting a document for you and putting it up on the
13 elmo. Their evidence of commercial strength is dollar
14 amounts that they have spent. Now, I would agree that
15 dollar amounts you spend are not an irrelevant question, but
16 they don't get you the whole way. They don't get you to the
17 question of what's in the minds of dentists. The question
18 is how was the money spent? What was marketing material
19 really doing? Was it getting in the heads of dentist?

20 Now I want to come back to my first theme, which
21 is the significance of the word "bruxer," b-r-u-x-e-r. The
22 fact that Glidewell has chosen a mark, "BruxZir" -- they
23 chose a mark that is so confusingly similar to a word that
24 dentists associate with a class of patients that it leads to
25 all kinds of complications. You have all kinds of

1 ambiguities. That shows up in multiple places in the
2 Sleekcraft factors. Those two themes kind of come together
3 and create a lot of mischief, if you will, that my
4 counterpart is using as evidence of confusion.

5 Now, let's go to key Sleekcraft factors. I would
6 like to start off and say that the Court's tentative -- as
7 you can imagine, I am in agreement with it. I was listening
8 carefully as you were reading your tentative, and I agreed
9 with the things that were in your tentative. But the one
10 thing I would take issue with was the statement that BruxZir
11 with a "Z" is a suggestive word. I think it is at least
12 highly descriptive, but aside from that, I think the
13 tentative was spot on.

14 Now, getting to the Sleekcraft factors themselves,
15 your tentative talked a lot about the dissimilarity of the
16 marks. For this particular case, that's appropriate. In
17 this case, you have a mark where Keating has a very
18 prominent prefix, KDZ, which is another thing that Glidewell
19 says, well, Your Honor, just ignore that. In this case, you
20 should be ignoring the KDZ. It's not providing a
21 source-identifying function. That is absolutely wrong, Your
22 Honor. It is a source-identifying function. The KDZ is
23 something dentists identify as Keating Dental zirconia.
24 They also use the acronym KDA, Keating Dental Arts. All
25 dentists ordering from them who are seeing their advertising

1 materials see the name "Keating Dental Arts" prominently
2 displayed and see "KDZ" with the zirconia products and
3 understands them. You don't have to be a highly-trained
4 dentist to see what is going on there. It's clear.

5 We provided evidence in the case showing that the
6 use of KDZ actually started three years before Glidewell
7 started using their mark that they are asserting in this
8 case. So this is a situation where dentists have been
9 seeing KDZ associated with Keating longer than they have
10 been seeing BruxZir with a "Z" associated with Glidewell.
11 So, again, it's all the more reason why it makes no sense to
12 be ignoring the KDZ part of the mark. The Court should not
13 be accepting their invitation to violate the anti-deception
14 rule.

15 Glidewell also ignores or downplays unfairly the
16 distinctive oval that Keating associates with its mark. The
17 Court is supposed to be assessing similarity based on the
18 mark as used in commerce. As used in commerce, Keating has
19 in its whole family of KDZ products a distinctive oval that
20 it wraps around the product name. As you mentioned in your
21 tentative, the most prominent part of the mark is the oval
22 and then the KDZ inside it. The KDZ is in a large font.
23 The Bruxer is in very small font next to it. So to ask the
24 Court to ignore the oval and ignore the large KDZ and focus
25 on the tiny Bruxer that is showing is not a reasonable way

1 of interpreting how dentists are going to be looking at the
2 mark is used in commerce.

3 Moving on to the mark itself, Glidewell says it's
4 conceptually strong and commercially strong. We disagree on
5 both of those, but I want to focus again particularly on the
6 conceptually strong part. Namely, the fact that they have
7 chosen a mark which is so similar to bruxer, b-r-u-x-e-r, is
8 really -- they have painted themselves into corner. There
9 is no way they can have broad rights in a mark which is so
10 close to that, at least not on a product that is indicated
11 for bruxers.

12 We provided lots of evidence showing that it's not
13 just that the Bruxer name is associated with dental products
14 generally. It's not even associated with dental restoration
15 generally. It's for an all-zirconia crown. The reason
16 Glidewell developed that claim was because it noted here a
17 more aesthetic alternative to gold for bruxer patients.
18 Glidewell's own dentist, Dr. De Tolla, explain how he would
19 talk to Glidewell's engineers, the research and development
20 people, and say get me a white gold crown. He knows that
21 patients don't like gold in their mouths. They don't look
22 tooth-like. So they were working and trying to get a
23 tooth-like crown which is strong like gold, and what they
24 came up with was an all-zirconia crown. Why did they come
25 up with it? For their bruxer patients.

1 Now, that was Glidewell's story, but that story
2 gets repeated to other dental labs. In other words, all
3 dental labs are servicing dentists that have patients who
4 are bruxers who subconsciously grind their teeth. All
5 dentists deal with them. They are a challenge because they
6 put crowns in these patients, and what do you think happens?
7 They put a normal crown in. They may not even know they are
8 bruxers in the beginning. The point is what happens is the
9 crown breaks. Traditional crowns, for example, a porcelain
10 top crown will make because of the nature of a bruxer. So
11 what do they do? If you are a dentist, you are unhappy
12 about that because you now have to replace it. You have an
13 unhappy patient. Nobody wants that.

14 Every dental lab in the country -- most of them
15 anyway -- are servicing clients that they want something to
16 treat bruxer patients, and they all learn that there are
17 all-zirconia crowns available for bruxer patients, and they
18 all want the all-zirconia crown to try it out to see if it
19 is really good. That story has been repeated across the
20 country and in Keating Dental Arts. Sean Keating heard from
21 his dental patients I need something for my bruxers, and
22 they wanted to start getting the all-zirconia crown.

23 What do you do when you are a producer of goods
24 and services? You listen to your customers, and you give
25 them what they want. They wanted all-zirconia crowns for

1 their customers. He developed all-zirconia crowns for
2 bruxers. He actually developed it in 2010, and he started
3 selling it to his patients in 2010. He came up with it as a
4 formal product to be offered and marketed in May 2011, and
5 he came out at that time with three different zirconia
6 products all marketed as KDZ products: KDZ Ultra, which had
7 been around since 2006 under a different name -- it had the
8 KDZ, but he didn't call it the Ultra until 2011 -- KDZ Max,
9 which is a different material, a composite crown. It's not
10 an all-zirconia crown, but it has zirconia in it -- and then
11 the all-zirconia which is the bruxer, which he called the
12 "KDZ Bruxer." So the fact that he chose that name indicates
13 that he is using the word "Bruxer" in a descriptive
14 capacity. It's a bruxer crown. It's a crown for bruxers,
15 so he is calling it the KDZ Bruxer.

16 One part of our motion -- I don't think it was
17 mentioned in your tentative. We have a fair use defense in
18 here as well, and this is where it comes into play as well.
19 Companies are allowed to use descriptive terms in their mark
20 under the fair use doctrine if they are using it not for
21 trademark purposes but, rather, to describe the goods or
22 services that they are working with. This is a classic
23 example of that. Mr. Keating chose the name Bruxer because
24 this is a bruxer crown. It's a crown for bruxers.

25 Glidewell does argue that you don't have to use it

1 for bruxers. In fact, dentists use it more broadly than
2 just for bruxers. That doesn't change the fact that it's a
3 bruxer crown, a crown developed for bruxers, and it's still
4 very popularly used with bruxism. It's the primary
5 indication. Glidewell's own marketing material prominently
6 talks about bruxers. Their own dentists and their own
7 marketing vice-president -- everybody agrees that, yes, this
8 is a crown for bruxers. That's not in dispute in this case.
9 I will just point out people wear tennis shoes, but they
10 don't just wear them to play tennis, and yet people
11 understand what a tennis shoe is.

12 Now I want to move on very briefly to the evidence
13 of commercial strength that Glidewell is talking about. I
14 just want to point out that -- you know, one of the things
15 that was mentioned was the testimony from dentists. I don't
16 want to dwell on the point, but this is a situation that you
17 may recall where an ex parte application was submitted on
18 the last day of discovery in order to extend discovery for
19 two more months. In that application, Glidewell informed
20 the Court that it had new counsel and that basically more
21 discovery was needed and if you could please give us two
22 more months. The Court declined to give that.

23 Essentially what in effect has happened is
24 Glidewell has gone along anyway and developed its own
25 evidence effectively after the end of the discovery cutoff

1 and submitted ample amounts of it with its papers. So the
2 dentist declarations, including the declaration from Dr.
3 Goldstein that you heard about earlier -- those were
4 submitted after the close of discovery. They were not
5 witnesses that Keating ever knew about during the discovery
6 period. Of course Keating has filed as you have probably
7 seen a lot of evidentiary objections for the Court to take
8 into consideration. That we think should be eliminating a
9 lot of evidence that the Court should be relying on.

10 Let me next talk about the allegations of actual
11 confusion that Glidewell is making. It was referred to as
12 being in two buckets. The first bucket I want to talk about
13 was this incident between Nicole Fallon and this dental lab
14 in Florida, Dr. Lee's lab. In this particular incident,
15 Keating has received two different versions of what happened
16 in the sense that in an interrogatory response provided
17 during discovery Glidewell informed Keating that Nicole
18 Fallon, a customer service type of employee at Glidewell,
19 had made a random phone call to a customer. It was part of
20 a pattern presumably. She was calling customers to offer
21 them discount coupons on the BruxZir with a "Z" product.

22 Based on that telephone call, the person on the
23 other end -- as opposing counsel said, it wasn't Dr. Lee,
24 but it was a staff person in the office who responded and
25 said, well, actually you bought a crown recently in the last

1 couple of weeks. Can we apply the coupon to that? Nicole
2 said, well, maybe. Send it over. So they faxed over what
3 ended up being a Keating Dental Arts invoice for the KDZ
4 Bruxer, and that's what is now being presented as an example
5 of actual confusion.

6 What has since happened after the end of fact
7 discovery is that the story has changed. It has changed in
8 several ways. One thing that happened is in discovery we
9 asked them -- we served them a request for production right
10 on time asking for documents relating to this incident, and
11 we were told expressly we have no documents. Well, now in
12 connection with their motion, Glidewell is now telling a
13 completely different story with Ms. Fallon, including that
14 she now didn't just speak with this staff person but she
15 actually spoke with Dr. Lee herself.

16 Now, they have documents that have appeared even
17 though they presumably were made in April, and they were of
18 course during the discovery period. They weren't produced
19 until the Friday before they filed their Motion for Summary
20 Judgment. Now we are told that Nicole Fallon recorded all
21 of her communications on a call log, which was provided with
22 their motion, and her call log includes what are pretty
23 sensational statements such as Dr. Lee characterizing
24 Keating Dental Arts as sneaky for using the name which is so
25 similar to Glidewell's.

1 We object to this evidence because it did come out
2 late. Nicole Fallon, by the way, wasn't even identified as
3 a witness until Glidewell amended their initial disclosure
4 on October 29, the discovery cutoff. If you look at the
5 evidence that existed during discovery, this wasn't an
6 incident of purchasing confusion at all. It was confusion
7 over a coupon offer, and it was initiated by Glidewell, not
8 by some customer.

9 Now, the second bucket which Glidewell spent a lot
10 more time on were these prescription forms. These are the
11 ones where --

12 THE COURT: The 18 prescription forms?

13 MR. JANKOWSKI: Correct, and associated call logs.
14 Now, in this situation, I want to point out the dentists who
15 filled out these prescription forms were known to Glidewell
16 during discovery, but they have submitted no declarations
17 from them. They did not depose them during discovery.

18 I come back to my theme what is in the heads of
19 the dentists? Are those dentists confused or not?
20 Glidewell could have developed evidence of their being
21 confusion if in fact there was. The fact is, though,
22 dentists were not confused. This comes back to the second
23 theme, which is they chose their mark being so close to
24 bruxer. The reason these dentists are writing "BruxZir"
25 with a "Z" on these prescription forms is because that's the

1 way that they think dentists refer to an all-zirconia crown
2 for bruxers. It's a shorthand. Doctors are famous for
3 having illegible signatures. Doctors are also famous for
4 writing things as concisely as possible. BruxZir is a very
5 concise way to write out all-zirconia crown for bruxers.
6 It's an efficient and economical way to do it.

7 Now, while Glidewell doesn't have any probative
8 testimony of what's inside the heads of any of those
9 dentists, Keating does. Keating has submitted 13
10 declarations from actual dentists who submitted the exact
11 same type of forms that you saw earlier, and they were asked
12 the question why did you write that? They were invited to
13 explain. What they explained was they were writing BruxZir
14 with a "Z" to explain that this was for an all-zirconia
15 crown. They were not trying to order a brand product. They
16 weren't using it as a brand. They were using it
17 descriptively. Keating Dental Arts has an all-zirconia
18 crown, so it makes sense that they were ordering it from
19 them.

20 So the confusion here is not over a Glidewell as a
21 source or Glidewell as a sponsorship or an affiliation
22 somehow with Keating. The confusion is over BruxZir spelled
23 with "Zir." Is that appropriately used as a generic
24 reference to an all-zirconia crown? Dentists thinks it's
25 okay. Glidewell obviously does not. They have got a

1 federal registered mark in it. They don't want dentists or
2 anybody else for that matter writing that as a generic use
3 for an all-zirconia crown, but that's exactly what is going
4 on, and that's exactly what is reflected in all of these
5 prescription forms.

6 I do want to point out that while there is 87 or
7 something like that forms at issue in the case that's
8 associated with 57 different dentists. It's not 87
9 different dentists. Some of those dentists submitted more
10 than one form spelling out an all-zirconia crown by writing
11 BruxZir with a "Z." So the 13 declarations that Keating
12 provided is about a quarter of all the dentists that were
13 identified in the case as having done this. Every single
14 one of those dentists said I was not confused.

15 You heard earlier that this was a classic case of
16 initial interest confusion. As you can imagine, initial
17 interest confusion is getting a situation where -- the word
18 "initial" in that concept is because some customer that
19 doesn't know you or your product comes to you or is
20 interested in your product because they see a name that they
21 think they recognize. So he gave an example of a name very
22 similar to a famous piano. So if you have another piano and
23 you give it a confusing and similar name, somebody may show
24 up at your shop to buy a piano, discover that it's not the
25 one they thought, and they might buy it anyway. They made

1 the trouble of going across town. That is not at all this
2 situation.

3 The dentists we are talking about here -- almost
4 every single dentist are longtime Keating customers.
5 Dentists work with these labs for years. As you can
6 imagine, Keating Dental Labs and Glidewell sell lots of
7 crowns. They don't just sell these all-zirconia ones. They
8 sell all kinds of things. They have dentists ordering from
9 them constantly. Every month they are getting a new order
10 for crowns. These dentists always have more patients. They
11 always use more crowns. These are repeat customers. They
12 are not being confused by the name of KDZ Bruxer. They are
13 ordering an all-zirconia crown from the lab they use, their
14 chosen lab, Keating Dental Arts. It's not the name that is
15 drawing them in. At least, there is no evidence that it is
16 the name.

17 Glidewell is inviting you to reach an inference on
18 its part that by looking at the documents it should be
19 inferred that that's what these dentists meant. Opposing
20 counsel is correct that Keating does object to the use of
21 these documents as hearsay to the extent they are being used
22 to show the state of mind of these dentists in that they
23 were confused.

24 One thing I want to point out -- it was brought up
25 that there is a state of mind exception to the hearsay rule,

1 and that it is true, and there are cases that have found
2 that. That doesn't apply here. The reason it doesn't apply
3 is this. In the cases that opposing counsel is referring
4 to, there are situations where potential customers have
5 contacted a company because they wanted to buy something,
6 and they truly were confused maybe because of similar marks.
7 They contacted a company wanting to buy a product, but they
8 contacted the wrong company.

9 Courts are willing to take examples of these wrong
10 calls as -- you know, even though -- you can get testimony
11 from an employee that I have gotten 12 calls in the last
12 three months, people thinking I'm a different company.
13 Courts have been willing to let that kind of evidence in
14 because it's not really to prove the truth of the matter.
15 The person itself -- it's the state of mind. It's the
16 confusion itself. So the confusion itself is the state of
17 mind.

18 Here, these dentists aren't confused on these
19 forms. In other words, the state of mind exception doesn't
20 apply here when they are writing "BruxZir" with a "Z." That
21 doesn't tell you they are confused. Glidewell argues that
22 that means they are confused, but that's their argument.
23 The document in and of itself standing by itself does not
24 show confusion on their part.

25 Again, when we have talked to a quarter of the

1 dentists that we had time to get to, none of them were
2 confused. Glidewell has no declarations of anybody saying I
3 was confused, but Glidewell is also not providing any
4 evidence of people calling Glidewell thinking that they deal
5 with the KDZ Bruxer somehow. Nobody is trying to order the
6 KDZ Bruxer from Glidewell apparently. Nobody is returning
7 the KDZ Bruxer crowns to Glidewell when there is a problem.

8 Simply put, there is no evidence of actual
9 confusion in this case. There is a lot of creative arguing
10 going on. There is a lot of creative interpretation of
11 documents going on, but what's missing is somebody
12 understanding what is inside somebody's head that actually
13 shows a confused dentist.

14 Now, to me what really screams loudly is the very
15 beginning of the presentation that I am responding to here
16 talked about the millions of dollars that have been spent.
17 It was talking about the extensive marketing effort. It was
18 talking about how dentists are bombarded with e-mail blasts
19 or the internet marketing and things like that. Despite all
20 this, Glidewell apparently could not find a single dentist
21 anywhere in the country who would give them a declaration
22 about how they were actually confused. Again, if not a
23 declaration from a dentist, at least survey data is
24 absolutely the type of thing you would expect in a case like
25 this, particularly from a company the size of Glidewell.

1 Then the other thing I want to point out from the
2 arguments you heard a little earlier is a lot of the
3 interpretations that were going on were associated with work
4 orders within Keating Dental Arts. Basically you were
5 hearing stories about how some of the language used in these
6 work orders were classic examples of initial interest
7 confusion, that here was a dentist who wanted a BruxZir with
8 a "Z" crown but then Keating's employee steered them towards
9 the KDZ Bruxer.

10 What I would ask you to do is look at the
11 documents that counsel showed to you and look at them
12 objectively, not look at them while you are listening to him
13 talking you through his argument. The fact of the matter is
14 these documents -- the way that these things are worded --
15 these are Keating Dental Arts staff people who are making
16 records of what they are doing. You can imagine how --
17 those are not documents written by counsel, you know,
18 carefully written wondering about how some attorney is going
19 to interpret them later. These are people writing things
20 like "Okay to proceed with KDZ Bruxer." That can be made to
21 sound very nefarious, but it is also more likely just to
22 mean it's okay to proceed with KDZ Bruxer because that's
23 what the dentist wanted. Again, in fact, all of the
24 evidence in the case points to the fact that that's all
25 these dentists ever wanted and that there is no shred of

1 evidence of initial interest confusion as well. Again, the
2 evidence shows that most of these dentists that we are
3 talking about were long-time customers of Keating Dental
4 Arts.

5 I want to briefly talk about the degree of care
6 and the intent. I don't want to spend much time on that,
7 but simply put, starting with intent, this is another
8 example where Glidewell sees bad intent basically through
9 Keating's use of the word "bruxer." As I started off
10 talking about the big theme, once you realize that "bruxer"
11 is a specialized dental word -- and not just any specialized
12 dental word but the word for the primary user of the
13 crown -- it's a little hard to understand why it's nefarious
14 to use that word for that product. It's a very strained
15 interpretation.

16 In terms of degree of care, I want you to notice
17 something interesting about Glidewell's argument. On the
18 one hand, what they are telling you is that Keating is
19 trying to pass off on the good name of Glidewell. It's
20 trying to say that these dentists really want the BruxZir
21 with a "Z." For example, on the initial interest confusion
22 argument that they are making, what they are saying is
23 dentists want BruxZir with a "Z." They want Glidewell's
24 product. Glidewell's got the good name. Glidewell is the
25 high quality one. That's what they want. And what Keating

1 has done through this clevering name is they are diverting
2 some of these people who want BruxZir with a "Z" over to
3 them, and they are maybe getting some of their business.

4 Yet when it comes to the degree of care Sleekcraft
5 factor, Glidewell changes its story. Now they say, you know
6 what, these crowns are interchangeable. These dentists
7 don't care where there get them from. They are made the
8 same. They have the same properties. It's all the same, so
9 they really don't care at all. Those two arguments are
10 basically 180 degrees apart from each other.

11 Now, finally, what I want to point out is -- one
12 thing that they did not point out also is that Keating
13 Dental Arts' product is about 40 percent higher in price for
14 one of these crowns. Glidewell makes the argument that
15 dentists really don't care about a 40-percent price
16 difference when they are buying all-zirconia crowns and that
17 they would consider that kind of a price differential
18 inconsequential.

19 I don't think that's likely to be the case for
20 anybody buying much of any product. If you think about what
21 the cost of a car is or something like that and you raise
22 the price 40 percent, you are in a completely different
23 level of car that you are looking at. Likewise, that's what
24 is going on here.

25 You may ask yourself the question why does Keating

1 Dental Arts have a crown which is 40 percent higher in cost?
2 The answer is because these dentists have relationships with
3 these dental labs. They go to labs that they trust. They
4 go to labs that they have confidence in. They go to labs
5 that they believe are going to help them properly service
6 their patients. It's a service industry. The dentists are
7 serving their patients. Keating Dental Arts is serving its
8 dentist customers. It's like any other service industry.
9 Quality and attention to the needs of the customers are
10 number one.

11 Keating Dental Arts is much smaller than Glidewell
12 and can provide much more personalized service. There are
13 lots of advantages of going to a smaller service provider,
14 and you are willing to pay a little bit of a premium for it.
15 That's the way all markets work. You can go to high volume
16 lower cost things, or you can go to lower volume higher
17 quality of service type companies. We have that here. What
18 I want you to understand is that dentists see different labs
19 in a different way. They don't see Glidewell and Keating
20 Dental Arts and other dental labs as all being
21 interchangeable. They are not. It would be like comparing
22 a large retailer that sells on a massive scale to a smaller
23 mom-and-pop type of shop which gives you more personalized
24 attention.

25 Your Honor, that's what I wanted to talk about

1 right now. If you have any questions at this point for
2 me -- otherwise, that's what I have to say.

3 THE COURT: Why don't you consult with your
4 co-counsel for just a moment.

5 (Defense counsel conferring.)

6 MR. JANKOWSKI: Your Honor, the one thing I just
7 want to clarify is my comment about the tentative that I was
8 making. I was referring to the part of your tentative that
9 was specific to Docket No. 84. In other words, some of your
10 tentatives are going against Keating, and I wasn't agreeing
11 with those tentatives at this time.

12 THE COURT: Okay. Counsel -- well, just a minute.
13 You have a number of other matters to cover I think. Are
14 you going to be arguing?

15 MR. GRAVES: Well, I will be responding briefly to
16 Mr. Jankowski and then --

17 THE COURT: I don't know that you will yet. I
18 want to hear about 83 and 82.

19 MR. SHAW: I am going to be addressing 82 and 83.

20 THE COURT: The lectern is yours.

21 MS. ZADRA-SYMES: We are willing to submit on the
22 papers on those motions.

23 THE COURT: 83 and 82?

24 MS. ZADRA-SYMES: Yes. Just to be clear, it's the
25 motion for cancellation that Keating filed and the motion

1 that Glidewell filed to dismiss our cancellation petition.

2 THE COURT: Which is docket numbers?

3 MR. SHAW: 82 and 83 I believe, Your Honor.

4 Your Honor, notwithstanding their submitting on
5 the papers, I did want to address our motion for summary
6 judgment on validity.

7 THE COURT: This would be a good time.

8 MR. SHAW: My colleague, Mr. Graves, would like to
9 respond to Mr. Jankowski.

10 THE COURT: Well, this is going to be very brief
11 now. You have got five minutes. That's the limit now.

12 MR. GRAVES: Thank you.

13 THE COURT: This is rebuttal in terms of hearing
14 it again.

15 MR. GRAVES: What strikes me with Mr. Jankowski's
16 presentation is that really what we are doing is we are
17 arguing about inferences to be drawn from the evidence.
18 Mr. Jankowski draws certain inferences from the prescription
19 forms and the call logs. We draw opposing inferences. On
20 summary judgment of course, those inferences must be drawn
21 in Glidewell's favor.

22 THE COURT: This is not helpful. This is
23 rebuttal. Get into the facts. I know the law. This is not
24 helpful.

25 MR. GRAVES: With respect to the oval, the oval is

1 not always used. For example, let's return to the slide
2 that we saw a little bit earlier. You will see that Keating
3 is using its "KDZ Bruxer" mark here. There is no oval.
4 There is no particular unique text that is used at all. So
5 while in some instances it does use the oval, in others it
6 doesn't. I believe we submitted argument in our papers
7 indicating that even when Keating does use the oval, again,
8 that's just one factor to be taken into consideration in
9 evaluating the aspects of the sight, sound, and meaning
10 trilogy for similarity of the marks.

11 Your Honor, particularly here where Keating is
12 making much of the phonetic similarity between KDZ Bruxer
13 and BruxZir, the fact that in some of its uses its mark has
14 an oval, which of course cannot be reflected in the
15 articulation of the mark, it indicates that the oval has
16 even less significance than it otherwise might.

17 Mr. Jankowski referred to kind of a timeline of
18 development suggesting that the BruxZir crown or the KDZ
19 Bruxer for Keating was developed for bruxer patients.
20 However, it's notable that Glidewell has submitted
21 evidence -- this is at Paragraph 11 of the Cohen
22 declaration, paragraph 11 of the Bell declaration --
23 indicating that for those dentists for about 90 percent of
24 the patients for which they use full contour zirconia crowns
25 are not bruxers. Dr. Toka at Paragraph 11 of his

1 declaration indicated that he will prescribe a full contour
2 zirconia crown such as BruxZir or a KDZ Bruxer regardless of
3 whether his patients suffer from bruxism.

4 So the purported tight link between these two
5 brands of a full contour zirconia crown and bruxism is
6 simply -- it's overly hyped by Keating. Yes, bruxism is one
7 indication or one pathology for which these full contour
8 zirconia crowns are indicated, but there are many others.
9 For some of these dentists, such as Dr. Cohen and Dr. Bell,
10 the vast majority of the uses don't involve bruxism at all.

11 Mr. Jankowski suggested his client is using Bruxer
12 in a descriptive capacity. However, that's belied by the
13 fact that Keating filed a trademark application on KDZ
14 Bruxer and alleged in its second amended answer and
15 counterclaim that it is using KDZ Bruxer as a trademark. In
16 order to constitute fair use, the mark must be used only,
17 solely, in a descriptive capacity. That's clearly not the
18 case here from Keating's own admissions.

19 Mr. Jankowski tells the Court that the dentists
20 from whom Glidewell submitted declarations and Dr. Goldstein
21 were all disclosed after the close of discovery. That's
22 simply factually incorrect. Discovery closed in this case
23 under the Court's scheduling order on October 29. All of
24 these dentists were identified in an amended disclosure on
25 October 29. Dr. Goldstein's expert report was provided on

1 October 29.

2 Now, Your Honor, if present counsel had been
3 involved in the case, these witnesses very likely would have
4 been disclosed earlier than they were. However, the fact
5 remains that they were disclosed prior to the close of
6 discovery, and there was nothing in the scheduling order
7 requiring that expert reports be provided earlier than the
8 close of discovery. In fact, the scheduling order
9 specifically said all discovery, including expert discovery,
10 will close on the discovery cutoff, which was October 29.

11 So these witnesses were disclosed prior to the
12 close of discovery, and, in addition, Glidewell -- we -- I
13 offered to permit Keating's counsel to depose these people.
14 We offered to make Dr. Goldstein available for deposition.
15 We offered to make Dr. De Tolla available for another
16 deposition. We offered not to oppose any efforts that they
17 might make to take the depositions of the dentists that we
18 disclosed after the close of discovery. That offer was
19 rejected.

20 Rule 37(c) requires that in order for evidence to
21 be excluded it's not sufficient just that it be disclosed
22 after a discovery cutoff, which in this case it wasn't, but
23 there in addition must be a showing of prejudice. Here
24 there is no prejudice. Keating has articulated no
25 prejudice, and any prejudice that could possibly exist is

1 only from its effort to take tactical advantage of the date
2 of disclosure of these witnesses. The offer to permit them
3 to be deposed remains open. Keating could cure any
4 prejudice anytime it wanted.

5 With respect to Ms. Fallon, there aren't two
6 versions. What happened is certain information regarding
7 Ms. Fallon's conversation with Ms. Carlyle of Dr. Lee's
8 office was disclosed in interrogatory responses. Ms. Fallon
9 was disclosed as a potential witness weeks, if not months,
10 prior to the close of discovery. Keating could have deposed
11 her. They chose not to. Subsequently, additional specific
12 factual detail was developed and was provided to Keating as
13 soon as it was developed. The two documents, Exhibits 1 and
14 2, were provided to Keating, produced to Keating, within one
15 day of when counsel obtained them. We made every effort as
16 soon as we got involved to produce as much information as we
17 possibly could regarding this case that had not already been
18 produced. Again, there was no prejudice here, none
19 whatsoever.

20 Now, Mr. Jankowski -- it's notable regardless of
21 whether we are talking about 86 instances of confusion
22 reflected in the prescription forms or 57 different dentists
23 who were involved in those instances of confusion, that
24 Keating only submitted declarations from 13. Keating had
25 months in which to develop that evidence. Yet they could

1 only find 13. They only submitted declarations from 13 of
2 those dentists. Now, Mr. Jankowski points out that that's
3 25 percent of the dentists. Well, we would point out that
4 75 percent of those dentists are unaccounted for.

5 Well, again, would that be sufficient for the
6 Court to grant our summary judgment against Keating?
7 Probably not, but it's certainly sufficient grounds on which
8 the Court must deny Keating's motion for summary judgment
9 against Glidewell. Keating has not closed the door on
10 confusion here. They have gone out and gotten declarations
11 from a subset of dentists who wrote "BruxZir" on the
12 prescription form. That's not good enough to get summary
13 judgment, particularly, Your Honor, when we have declaration
14 testimony from dentists and from experts such as Dr.
15 Goldstein stating directly that confusion is likely given
16 the similarities in the marks, given the overlap in the
17 marketing channels, and so on.

18 Your Honor, with respect to the state of mind
19 exception to the hearsay rule, Mr. Jankowski's argument
20 assumes the conclusion that he hopes to reach. The Lahodie
21 case and the Convergent case really established the rule,
22 and we believe, Your Honor, that under those cases which are
23 controlling -- Lahodie is controlling. It's the Ninth
24 Circuit case. These prescription forms fall well within the
25 state of mind exception. They are being proffered to show

1 the state of mind of those dentists. While Mr. Jankowski is
2 certainly free to argue and draw an inference that they are
3 not confused, again, it's a reasonable inference to draw
4 based on the fact that they wrote "BruxZir" on those forms
5 that they were confused. That's the purpose for which it
6 false well within the state of mind exception.

7 With respect to our argument concerning the degree
8 of care exercised by a dentist in selecting a crown is
9 inconsistent with other aspects of our argument, it's not.
10 Glidewell doesn't need to show that BruxZir brand crowns are
11 the best in the market or even that they are better than
12 Keating's. All we need to show is that there is evidence
13 sufficient to create a genuine issue of fact that bruxer is
14 recognized as a source identifier, and we have done more
15 than that, Your Honor.

16 With respect to the 40-percent price differential
17 here, it works out to \$40. That's ten cups of Starbucks
18 coffee. We would submit that with respect to a product, the
19 price of which is going passed through by the dentist to the
20 patient and which is very likely to be paid for by
21 insurance, that that is simply a trivial price differential.

22 With respect to whether dentists trust Keating,
23 again, no evidence in the record.

24 So, Your Honor, unless the Court has any questions
25 regarding any of the subject matter that we have addressed,

1 I will thank the Court and rest.

2 THE COURT: Thank you.

3 Counsel, you can further respond with about five
4 minutes.

5 MR. JANKOWSKI: Thank you, Your Honor.

6 Let me go just over a couple of the points that he
7 was making. He started off by saying what appears to be
8 going on here is there is a battle of inferences over these
9 documents. That's not what is going on here. We have
10 inferences on the side of Glidewell. We have actual
11 evidence in the form of timely submitted declarations from
12 persons with probative knowledge on the issue. The
13 inferences are really coming in because Glidewell is trying
14 to reach for the result they want from whatever evidence
15 they can find, whatever scrap. I think the one document
16 that you were asked to look at had the writing in about a
17 six-point font, if that. They're really straining with
18 everything they can on these documents.

19 Regarding his comments on the oval, as you know,
20 you are required to be looking at how the marks are being
21 used in their entirety. It doesn't mean the fact that it's
22 occasionally used without an oval means that the oval
23 becomes irrelevant.

24 The next issue that was raised was the fact that
25 there are other applications other than for bruxer patients.

1 That is absolutely true. There are other patients that can
2 receive these crowns. In fact, as you can imagine,
3 Glidewell is trying desperately --

4 THE COURT: I don't understand when you make the
5 choice to use the oval or you don't use the oval. I don't
6 understand on Keating's part how much is used, when it's
7 used, how the decision is made to include the oval or not.

8 MR. JANKOWSKI: Your Honor, the oval is the mark.

9 THE COURT: I don't understand how you decide to
10 use the oval or not.

11 MR. JANKOWSKI: I understand, Your Honor.

12 THE COURT: No, you don't because you didn't
13 respond to my question. You didn't answer it.

14 MR. JANKOWSKI: The stylized mark -- there are
15 three of them. Those are used as their stylistic way for
16 referring to the crown, the three different crowns.

17 THE COURT: How do you decide when to include the
18 oval?

19 MR. JANKOWSKI: Whenever they want to make a
20 splashy marketing piece, you will use that.

21 THE COURT: So you don't use it otherwise?

22 MR. JANKOWSKI: You will use the name "KDZ
23 Bruxer" --

24 THE COURT: You are not answering my question.
25 This is your last and only chance.

1 MR. JANKOWSKI: Could you ask it one more time?

2 THE COURT: I have asked it. Respond as best you
3 can.

4 MR. JANKOWSKI: The crown is referred to in words.
5 All these crowns are referred to in words without --
6 including Glidewell's. Glidewell has their stylized look --

7 THE COURT: But you pointed out the oval as
8 something that you believed was distinctive.

9 MR. JANKOWSKI: Yes.

10 THE COURT: When is it decided to use that?

11 MR. JANKOWSKI: It's used on the marketing
12 pamphlets. It's used in the effort to --

13 THE COURT: You have answered. Marketing
14 pamphlets, right?

15 MR. JANKOWSKI: Not just marketing pamphlets.

16 THE COURT: What else?

17 MR. JANKOWSKI: Well, the marketing materials
18 generally. In marketing materials that are put together to
19 be aesthetically pleasing as opposed to just providing
20 information through text, Keating is going to be using the
21 oval as part of it.

22 THE COURT: Okay.

23 MR. JANKOWSKI: Your Honor, it was also raised
24 that Keating has admitted that it has used the "bruxer" term
25 in a way other than as a descriptive term. What opposing

1 counsel is referring to is the fact that it has a trademark
2 registration that it is seeking in KDZ Bruxer, but the fact
3 that it has bruxer in that name in and of itself does not
4 mean it's not a descriptive use. There are lots of examples
5 of a trademark that have descriptive words within them.
6 Those are mentioned in Keating's brief if you look through
7 there.

8 On the issue of whether the witnesses disclosed on
9 October 29 were timely or not, I will point out the
10 scheduling order not only sets the discovery cutoff as
11 October 29, but it sets the last date for taking
12 depositions, which is basically the previous week. So all
13 the depositions had to be completed by I believe the 22nd.
14 So disclosing witnesses for the first time after the date
15 the Court has ordered you to take your depositions clearly
16 is problematic. Even the offers that were made to Keating
17 to allow witnesses to be deposed after the discovery cutoff
18 would be impermissible absent leave of the Court.

19 Then, finally, I just want to point out the price
20 differential of \$40, ten cups of Starbucks coffee. These
21 dentist are buying lots and lots of crowns. It adds up to a
22 lot of money. Needless to say, everyone is always concerned
23 with the cost of the product that they are buying. Dentists
24 do care about the cost they are passing on to their client's
25 insurance notwithstanding.

1 That's all I have, Your Honor.

2 THE COURT: Counsel, let's take about a
3 five-minute break.

4 (Recess.)

5 THE COURT: Okay, we are back on the record.
6 Which motions would you like to argue next?

7 MR. SHAW: Greer Shaw here representing Glidewell.
8 I will be addressing Docket 83, which is defendant Keating's
9 motion to cancel our registration, as well as Docket No. 82,
10 which is plaintiff Glidewell's motion with respect to
11 Keating's validity defenses.

12 Now, Your Honor indicated in your tentative that
13 you were inclined to deny the defendant's motion. Your
14 Honor thought there's a strong presumption of validity, a
15 strong presumption of distinctiveness due to the
16 registration of the mark, and that it's clear they are not
17 generic. You also pointed out that the composite mark does
18 not describe the product but merely suggests it and
19 imagination is need. Of course we agree with all those
20 points for all the reasons stated in our brief.

21 The only reason I am standing up is you indicated
22 that with respect to the plaintiff's motion for summary
23 judgment essentially on validity -- I will use that as a
24 shorthand, but that's what we are asking for, an affirmative
25 finding from Your Honor that the mark is not generic. You

1 indicated that that was moot -- or you thought tentatively
2 that it was moot possibly in view of your tentative with
3 respect to noninfringement.

4 We have now heard the arguments from Mr. Graves
5 and Mr. Jankowski on that infringement issue. I would
6 submit, Your Honor, that the validity issue from Glidewell's
7 perspective is not moot. We think there is a reasonable
8 probability that Your Honor may submit the infringement
9 issue to the jury in which the validity issue will still be
10 alive even if defendant's motion to cancel our mark is
11 denied. So what we would like to do is resolve the validity
12 issue now so that it's not going to clutter up the jury
13 trial.

14 As Your Honor noted, there is a strong presumption
15 of validity. We have a registered mark. It's undisputed
16 that it's registered. Ninth Circuit law sets forth quite
17 clearly that the demonstration of strong evidence of
18 validity, a strong presumption of validity, the burden to
19 overcome that particularly on summary judgment is heavy.

20 In addition, because the PTO issued our trademark
21 without any required channel of secondary meaning, the mark
22 not only is presumed to be valid but it's presumed to be
23 inherently distinctive. That means it's presumed to be at
24 least suggestive. Of course under Ninth Circuit law, a
25 deference to the PTO classification discusses it because the

1 Ninth Circuit has noted -- again, this is under the Sermando
2 case -- the PTO has expertise that the Court doesn't have on
3 trademark examination issues.

4 So, Your Honor, Keating's primary argument with
5 respect to validity -- and I think you have heard it in
6 Mr. Jankowski's presentation with respect to the
7 infringement issue -- it's their view that the mark is
8 generic. They believe the word "bruxer" is generic. The
9 fact is it's not. The evidence shows that it's not. In
10 fact, there is no evidence to the contrary, and I will walk
11 through that now.

12 Let's start with Keating's admission. They have
13 already admitted that the mark is not generic. In fact, in
14 their Petition for Cancellation that was filed with the
15 Trademark Office, they admitted that the mark is
16 descriptive. To be sure, they also said first that the mark
17 is generic, but then they said it is descriptive. They say
18 in the brief, well, these are alternative arguments, and one
19 is not an admission against the other. They cite a Ninth
20 Circuit case for that. You will see in that case the Court
21 said if you are going to plead in the alternative you have
22 to make clear that's what you are doing. If you don't make
23 clear you are pleading in the alternative, then one
24 allegation that's inconsistent with the other is an
25 admission. That's what we have here. They have already

1 said to the Patent and Trademark Office that the mark is
2 descriptive and therefore not generic.

3 In addition, we have an admission from Sean
4 Keating at deposition. He said that BruxZir is Glidewell's
5 name for the monolithic crown and that the word is not used
6 any other way in the industry. Now, in their briefs, they
7 try to explain that way and say, well, you are taking that
8 out of context. The fact is Your Honor can read the
9 transcript and make a judgment, but I think it's really the
10 jury's goal to determine whether that quote has been taken
11 out of context or not, and I don't think it is. I think he
12 clearly admits that BruxZir is Glidewell's name. Therefore,
13 it is not generic.

14 In addition, Mr. Brandon, Keating's general
15 manager, also admitted at deposition that as of May 2011 the
16 "BruxZir" mark was known to be a specific trade name of the
17 product and identified a product made by Glidewell. Just
18 for the record, I am quoting from in the case of Mr. Keating
19 Docket No. 90-30, which is Exhibit 85, and in the case of
20 Mr. Brandon, it's Docket No. 90-30, Exhibit 84.

21 As well, Keating internal documents indicate that
22 Keating personnel regard the BruxZir as a, quote,
23 "proprietary" mark. It's not a generic term. It's a
24 proprietary name. Sean Keating, Mr. Brandon, and other
25 Keating employees recognize that.

1 One thing that is very important in this case is
2 the Ninth Circuit case law. This in the Yellow Cab case
3 where the Ninth Circuit says the crucial date for
4 determining genericness is the time that the accused
5 infringer, the alleged infringer, entered the market with
6 their disputed market. That's the Ninth Circuit case Yellow
7 Cab, 419 F.3d 925, the crucial date. Here the crucial date
8 is by their own admission April 2011. In their answer and
9 counterclaims, they say Keating adopted and began using the
10 "KDZ Bruxer" mark in approximately April 2011. That's the
11 crucial date under Ninth Circuit law. So the question then
12 is prior to April 2011 was bruxer generic for zirconia
13 crowns? Anything that happens afterwards, evidence after
14 April 2011, is not probative of the prior period.

15 Additional points that are significant -- again,
16 Ninth Circuit case laws notes that if the term is not found
17 in a dictionary that supports the conclusion that it's not
18 generic. Here we have submitted multiple dictionary
19 excerpts to Your Honor. None of them have a definition for
20 "bruxer" whether it is spelled z-i-r or x-e-r. None of them
21 have a definition for "bruxer."

22 In addition, Keating has no generical survey. You
23 heard Mr. Jankowski faulting Glidewell for not having a
24 survey. I think Your Honor well knows why there's no
25 survey. We were engaged two days before the close of

1 discovery. We asked for an additional two months to conduct
2 a survey. They opposed that. That's why we don't have
3 survey. They on the other hand had months to do a generical
4 survey, and they didn't get one. Either they didn't get
5 one, or they got one and they didn't like the results, and
6 that's why we don't see it.

7 So back to this crucial date issue, again, this is
8 a fundamental problem with their generical case. None of
9 their evidence speaks to genericness prior to April 2011. I
10 would encourage Your Honor to scrutinize their evidence. I
11 will start with Dr. Eggleston's reports. He submitted not
12 one, not two, but three expert reports, which are completely
13 silent as to the crucial date, completely silent as to
14 April 2011 or May 2011 or any period of time at all. It
15 doesn't even address the time in issue at all.

16 In addition, Dr. Eggleston relies almost upon a
17 series of unauthenticated hearsay web pages that are either
18 undated or postdate April 2011. So he is relying on
19 evidence that is not probative of the pertinent time period.
20 Dr. Eggleston also relies upon Glidewell promotional
21 materials, Dr. De Tolla's video, for example. He said Dr.
22 De Tolla pronounces "BruxZir" and "Bruxer" the same way. He
23 makes a big deal about this. The quote -- these are
24 Glidewell promotional videos. Dr. De Tolla is referring to
25 Glidewell's BruxZir brand crowns and bridges. He is not

1 referring to generic bruxer crowns. Dr. De Tolla is on the
2 record saying that in a declaration, and there is no
3 contrary evidence.

4 The law is well-established, both statutory and
5 case law -- and this is from 15 USC 1064. "A registered
6 mark shall not be deemed to be the generic name of bids or
7 services solely because the mark is also used as a name as
8 or to identify a unique product or service." That's what we
9 have here. We have Dr. De Tolla and other Glidewell
10 personnel using the BruxZir brand to refer to Glidewell
11 BruxZir brand crowns and bridges. That's used in
12 Glidewell's own promotional material cannot possibly render
13 Glidewell's registered trademark generic.

14 The In Re D.C. Connex case, 689 F.2d 1042, stands
15 for a similar proposition, that a product may be called by
16 its given name does not negate its function as a mark or
17 render it generic so long as it is used to identify a
18 product as a single source. That's exactly the case here.
19 No sensible dentist is going to watch one of Dr. De Tolla's
20 videos or look at Glidewell promotional material and
21 conclude that the word "BruxZir" being used as Glidewell's
22 trademark is anything other than a trademark for Glidewell
23 BruxZir brand crowns and bridges.

24 In addition, Your Honor, Dr. Eggleston relies upon
25 the authorized labs. You have heard some discussion about

1 the authorized lab program earlier today. He says all these
2 authorized labs out there, 180 or so, are using the
3 "BruxZir" mark and not saying that is a Glidewell trademark
4 or that is Glidewell's product. The fact is, Your Honor, as
5 Mr. Graves explained, there is no need to do that. That's
6 under 15 USC 1055. The activity of these permitted
7 authorized labs iner to Glidewell's benefit whether or not
8 the labs are using the "BruxZir" brand in association with
9 the Glidewell name.

10 Finally, Dr. Eggleston replies upon a series of
11 prescription forms that have been sent in to Keating. Some
12 of the prescription forms you have heard about in the
13 confusion context, but all of these postdate the relevant
14 time period. They all postdate April 2011. Therefore, they
15 are not probative at all about the genericness question.

16 Moving on to their second expert, Ms. Boatright,
17 Ms. Boatright is a trademark lawyer. She is not a dentist.
18 She is not an academic. She is a lawyer. Nevertheless, she
19 submits a report opining apparently that the mark is generic
20 or at least descriptive. It's unclear from her report. Her
21 report suffers from many of the infirmities that Dr.
22 Eggleston's report suffers from. Most importantly, she is
23 completely silent as to the crucial date of April 2011. She
24 makes no effort to assess genericness as of any point in
25 time, much less the crucial date. Again, she relies on the

1 various promotional materials that I just mentioned in the
2 context of Dr. Eggleston, the videos and so forth. She does
3 not even clearly opine that "bruxer" is generic for a
4 zirconia crown. She focuses with quite a good amount of
5 vigor on the argument that the word "bruxer," b-r-u-x-e-r,
6 is a generic term for patients that suffer from bruxism.
7 The fact of the matter is Glidewell is not selling to
8 patients that suffer from bruxism. Glidewell is simply
9 selling zirconia for dental crowns and bridges.

10 THE COURT: Could you move that mic a little
11 closer to you?

12 MR. SHAW: One of the arguments they make is
13 because our mark in their view is phonetically similar or
14 phonetically equivalent to the intended user somehow that
15 makes it automatically generic. The fact of the matter is
16 the law doesn't support that. I can point you to the Ninth
17 Circuit case, the Brookfield case, which is 174 F.3d 1036.
18 The market issue there was movie buffs, all people
19 interested in movies and information about movies and
20 entertainment products. That mark, "Movie Buff," was found
21 to be suggestive in that case even though the product was
22 directed to movie buffs. So just because the product may be
23 the same as or phonetically equivalent to or similar to the
24 intended user or consumer of the product does not render it
25 by law generic or even descriptive. Again, in that case,

1 "Movie Buff" was found to be suggestive.

2 Moving on Your Honor to their evidence, wading
3 through their evidence of purported genericness, we come to
4 the declaration of Carol Fetura. Carol Fetura is a person
5 who operates a third-party dental lab called Showcase
6 Dental. She says in her declaration that Showcase is a
7 competitor of both Keating and Glidewell. Ms. Fetura again
8 is silent about the crucial date. She doesn't say that
9 bruxer whether spelled Z-i-r or x-e-r is generic at any
10 given point in time. She said that Showcase Dental used a
11 mark "O-Bruxer" from the end of 2010 to January 2011. I
12 suppose Keating would you have infer that that is somehow
13 evidence that the mark was generic because that's the mark
14 that Showcase Dental showed.

15 The fact of the matter is the evidence shows
16 Showcase copied the mark from Glidewell. In fact, she had a
17 cease and desist letter. Ms. Fetura received a cease and
18 desist letter from general counsel at Glidewell asking her
19 not only to stop using the mark, but copying images for her
20 company's website, images that she had copied from
21 Glidewell, not only the image of the crown but the logo,
22 "BruxZir," B-r-u-x-Z-i-r. So Showcase Dental copied our
23 image, copied our logo, put it on its website, and received
24 a cease and desist letter.

25 When she got the cease and desist letter -- well,

1 first of all, copying indicates distinctiveness. Under
2 Ninth Circuit law, that's Vision Sports, 888 F.2d 609. So
3 you have Showcase Dental who copied our mark, copied our
4 image, copied our logo, put it on its website, and then was
5 asked to stop doing it. I will get to that later. She did
6 promptly change the name.

7 They also point in connection with the Fetura
8 declaration to a number of prescription forms similar to the
9 kind of prescription forms that you have seen earlier that
10 had been submitted to Keating. Again, Your Honor, the
11 crucial date under Ninth Circuit law, the Yellow Cab case,
12 comes into play again because the majority of these
13 prescription forms are on a post-date April 2011. One of
14 them is undated, and the remainder, the ones that predate
15 the crucial time period, all show that when dentists are
16 ordering crowns from Showcase they are using terms other
17 than BruxZir. So that evidence actually supports Glidewell.
18 It shows that "bruxer" is not generic as of the relevant
19 time period, April 2011 or before.

20 Again, moving through the evidence, Keating has
21 submitted in connection with summary judgment declarations
22 from 13 dentists. These 13 dentists say they regard
23 "bruxer" as being a generic term for a zirconia dental
24 crown. What's notable though, Your Honor, is none of the 13
25 dentists say that they regarded this term as being generic

1 for zirconia dental crowns as of any particular time period,
2 whether April 2011 or before.

3 The best you can conclude from these declarations,
4 because this comes up in the context where they're in a
5 sense explaining away one of these prescription forms where
6 they used our trademark -- they say, well, when I wrote that
7 word "BruxZir," B-r-u-x-Z-i-r, on a prescription form, I
8 wasn't really confused. It was my using of a generic
9 terminology. But all of those prescription forms postdate
10 April 2011. So, again, that evidence is not probative of
11 genericness as of the relevant time period.

12 I have talked about the deficiencies in the
13 evidence from Keating's side. I would submit Keating has
14 not submitted any evidence that would support a conclusion
15 of genericness.

16 Now let's look at the evidence on the other side.
17 There is affirmativeness evidence of nongenericness. Again,
18 I have already talked about Mr. Keating's admission and
19 admissions of other Keating personnel. Even on top of that,
20 Glidewell has submitted declarations from seven dentists
21 across the country who all testify that both before and
22 after April 2011 they knew and their colleagues knew to the
23 extent they talked to their colleagues -- dentists, you
24 know, go to conventions. They work with each other. These
25 seven dentists know that the "BruxZir" mark signifies a

1 single source of dental restoration products, Glidewell.
2 It's not a generic term. They all say they use the word
3 "bruxer" exclusively to refer to a person who suffers from
4 bruxism. They do not use that term and have never used to
5 refer to zirconia crowns and bridges as a type of category
6 of product. That's the showing that Keating would have to
7 make in order to establish that this mark is generic. The
8 seven dentists are affirmative evidence that the mark is not
9 generic and was not regarded as being generic as of the
10 relevant time period.

11 Further, these seven dentists say that there are
12 generic terms for these products that were in use as of
13 April 2011 and are in use now. These terms are: zirconia
14 crowns, all-zirconia crowns, monolithic zirconia crowns,
15 full zirconia crowns, and solid zirconia crowns. These
16 phrases, Your Honor, you see pervasively in the web pages
17 that Keating has submitted. You see these terms pervasively
18 in the declarations from Keating's own 13 dentists. You see
19 these term pervasively in the Carol Fetura declaration. You
20 see these terms pervasively in Dr. Eggleston's declaration.
21 These terms that I just read to you are in fact the generic
22 terms for a zirconia crown, not a bruxer crown.

23 In addition to the seven dentists' declarations,
24 we have expert testimony. We have the declaration of Dr.
25 Goldstein. This is one of the most prominent dentists in

1 the country, 55 years of experience in the dental industry.
2 He says, "It is my opinion that dentists do not refer to
3 solid zirconia crowns as bruxers or bruxer crowns. It is
4 also my opinion that dentists do not understand the word
5 'bruxer' to refer to solid zirconia crowns from any source,
6 but dentists understand the mark 'BruxZir' to identify the
7 source of solid zirconia crowns and the material to make
8 solid zirconia crowns, the crowns supplied by Glidewell."

9 There is similar testimony from Dr. De Tolla,
10 again, a practicing dentist who has over 20 years of
11 experience in the industry. Your Honor, this is the head of
12 education at Glidewell. Dr. De Tolla posts his videos
13 online. He meets thousands of dentist every year at
14 conventions and so forth. He says in his testimony at
15 Exhibit I, "I have never heard any of the thousands of
16 dentists -- use the term 'bruxer,' b-r-u-x-e-r, to refer to
17 it as a zirconia crown generally. Rather, when referring
18 generally to a zirconia crown, a dentist will refer to the
19 crown as a zirconia crown."

20 In addition to the dentists Dr. Goldstein and Dr.
21 De Tolla, we have the expert testimony of Professor
22 Franklyn. He is a trademark academic at the University of
23 San Francisco. In preparing his declaration -- I mean
24 actually his supplemental report -- he interviewed a number
25 of dentists, including Drs. Cohen, Bell, Luke, Michaels, and

1 Newman, as well as Dr. Christiansen and other very prominent
2 dentists in the country, and all of these dentists told him
3 that "bruxer" is not a generic word for a crown. A bruxer
4 crown is not a generic phrase for a zirconia crown.
5 Instead, dentists use terms like full contour zirconia,
6 all-zirconia crowns, some of the terminology that I
7 mentioned earlier. So Professor Franklyn opines that the
8 mark "BruxZir" is not generic based among other things on
9 his interview of these dentists, based on his trademark
10 searches, based on other searching activity that he did, as
11 well as his review of the trademark search report
12 commissioned by Keating itself.

13 So, Your Honor, I would submit that there is
14 simply no evidence that would support a conclusion of
15 genericness here. All of the evidence that was submitted by
16 Keating does not speak to the relevant time period.
17 Evidence of purported genericism of the word at a later date
18 is irrelevant. Not only it is irrelevant, but it would be
19 confusing and prejudicial for Your Honor to consider it or
20 for it to be admitted at trial because it would leave the
21 fact-finder to determine or access purported genericism as
22 of the incorrect time period.

23 Your Honor, earlier in your tentative you
24 indicated that you thought that the "BruxZir" mark is
25 suggestive. Of course we agree with that. We think it is

1 suggestive, but I would like to just walk through some of
2 the Ninth Circuit law which I think leads to that and other
3 authority for that conclusion. The Ninth Circuit has
4 essentially laid out two tasks. They call them tasks, but
5 they really more considerations. There is the imagination
6 test, which is the most commonly used under the Ninth
7 Circuit, which asks whether imagination or a mental leap or
8 multi-stage reasoning is required in order to reach a
9 conclusion as to the nature of the product being referenced
10 by the mark, and that comes from the Sermando case.

11 A different Ninth Circuit case, Self-Realization
12 case, 59 F.3d 902, says, "If the mental leap between the
13 word and the product's attribute is not almost
14 instantaneous, then this strongly indicates suggestiveness,
15 not descriptiveness." Here, Your Honor, the "BruxZir" mark
16 as you indicated in your tentative is a combination of brux
17 and zir. Brux suggests to dentists that the BruxZir brand
18 products are strong and durable and are suitable in dental
19 applications requiring superior strength and durability,
20 such as treating patients with bruxism. That is not the
21 only potential application or indication, but that is one of
22 them, and that is one application that is suggested by the
23 word "brux."

24 The second part of the mark, Your Honor, zir,
25 indicates, suggests, to dentists that the products comprise

1 zirconia, a hard and durable material that had been and has
2 been successfully used in dental products. So dentists see
3 brux, and they see -- those two portions of the mark suggest
4 to them features: the material of the product, as well as a
5 potential use, treating patients with bruxism.

6 In that regard, the "BruxZir" mark is actually
7 quite similar to other marks that have been found to be
8 suggestive, for example, the "Verichex" mark. This is the
9 Verichex case, 636 F.3d 501. What was being considered
10 there was verichex. Those two words or word portions were
11 put together into a one-word trademark, and that was being
12 used for products and services that would check or verify
13 checking products. The Court said that that is suggestive.
14 The mark "Verichex" is suggestive because consumers have to
15 separate the two pieces. They have to separate veri and
16 check, and then the reason, that veri is short for
17 verification services.

18 That's very similar to what we have here with
19 BruxZir. The zir is shortened or a portion of the word:
20 zirconia. Zir suggests that the product is made of
21 zirconia. It doesn't describe the product. It doesn't
22 clearly indicate what it is or what it is made of, but it
23 suggests.

24 The Ninth Circuit again in the Serando case has
25 said if the mark cannot be found in a dictionary or is

1 without a meaning that supports suggestiveness -- here it's
2 undisputed that the word "bruxer" no matter how spelled is
3 not in any dictionary. The Ninth Circuit in the Sermando
4 case said, "If the accused infringer has to use or does use
5 explanatory language with his infringing mark, then that
6 supports suggestiveness." That makes sense because if the
7 word "bruxer" really was a generic word for a zirconia crown
8 and bridge or a dental restoration, you wouldn't think that
9 somebody using the word "bruxer" would have to further
10 explain that it's a zirconia crown or bridge for dental
11 restoration.

12 In fact, we see that exact language in Keating's
13 marketing material. For example, in Keating's advertisement
14 Keating introducing the KDZ Bruxer brand, they state that it
15 is a full contour zirconia restoration. Well, if bruxer
16 already meant that, then you wouldn't need to say that.

17 So the Ninth Circuit in the Sermando case says,
18 "The accused infringer's use of explanatory language with
19 its mark cuts against the accused infringer's argument that
20 the mark is a well-established, culturally pervasive
21 concept." That's exactly what we have here. It's
22 undisputed that Keating includes additional explanatory
23 words and language when they have KDZ Bruxer, and they do
24 that because bruxer is not generic for zirconia products.

25 So that's the imagination test. The second test

1 under Ninth Circuit law is the competitor's needs test.
2 This focuses on the extent to which a mark is actually
3 needed by competitors to identify their goods or services.
4 Again, from the Sermando case -- I think you see a pattern
5 here. This is a useful case -- the Ninth Circuit says, "If
6 competitors have a great need to use a mark, the mark is
7 probably descriptive. On the other hand, if the suggestion
8 made by the mark is so limited and subtle that it is not
9 likely to be needed by a competitor, fails to describe the
10 goods, this tends to indicate that the mark is merely
11 suggestive."

12 So, Your Honor, I would submit and I think the
13 evidence shows there is no real great need for Keating or
14 other competitors to use the word "Bruxer" as their
15 trademark. I want to make clear that we are not saying --
16 we are not going out and seeing people who are saying this
17 is a full contour zirconia crown that can be used for
18 bruxers. That is not what is at issue here. What is at
19 issue is whether they can use a confusingly and similar
20 trademark, "KDZ Bruxer."

21 I talked about Carol Fetura earlier, and I
22 promised you I would return to her, and now this is the
23 time. Her dental lab, Showcase Dental, was using the
24 ZirBruxer trademark from 2010. In about January 2012, she
25 got a cease and desist letter from Glidewell saying not only

1 are you using copied images that include our trademark, but
2 you have ZirBruxer, which is confusingly similar to our
3 mark, and we would like you to stop infringing.

4 So what does Carol Fetura do? She doesn't say,
5 well, I need to use the word bruxer because there is no
6 other way to describe my product. What she does is say
7 exactly the opposite. Here is Ms. Fetura's response. She
8 says, "The name of the crown is not going to change a single
9 part of my customer satisfaction to my product or whether
10 they use my lab or even request this product." So she is
11 not saying I need to use the word "bruxer" to describe this.
12 Otherwise, nobody is going to know what it is. She is
13 saying I don't need to call it that because it's not going
14 to make any difference at all. People are still going to
15 request my product. They know what it is.

16 So after getting this letter and after saying it
17 doesn't matter what it's called -- and this is in
18 January 2012 -- Showcase announces its name change. So they
19 changed from ZirBruxer, which was the mark that we alleged
20 was confusingly similar, and they say, "We have hereby
21 changed the name of our product to reflect the shape and
22 product makeup, Full Contour Zirconia." That's the generic
23 term. That's the term that you heard me mention before from
24 the expert declarations, full contour zirconia. That's what
25 this product is. That's the generic term for this product,

1 not bruxer.

2 There are other examples. It's not just Showcase
3 Dental. We talked in our briefs about Drake Dental
4 Laboratories. Drake uses the mark "Zir-Cast." They sell
5 full contour zirconia dental crowns similar to the Keating
6 crowns, similar to the Glidewell crowns, under the
7 "Zir-Cast" mark. Among other descriptions for their
8 product, they recommend -- or state that the product,
9 rather, is recommended for bruxers and grinders among other
10 users. Glidewell has agreed that that type of usage is
11 permissible. We're not suing Drake. We are not saying
12 Zir-Cast is confusingly similar to our "BruxZir" mark.

13 So, again, Your Honor, we are not trying to
14 foreclose competitors' use of the word "bruxer" to describe
15 their products in the description of the product, but that
16 is different and distinct from using the word "bruxer" or
17 some confusing similar variant as a trademark, and that's
18 what Keating is doing here.

19 So for all those reasons, there is no evidence to
20 support genericness. Both the law and the facts strongly
21 support suggestiveness, and we believe that Your Honor
22 should grant summary judgment in Glidewell's favor finding
23 not only the mark is not generic, but find that it is
24 suggestive.

25 Now, there is a middle ground. I am sure Your

1 Honor is aware that the mark can be descriptive. That's
2 somewhere between generic and suggestive. Ordinarily
3 descriptive marks are not entitled to protection. However,
4 the law recognizes secondary meaning, which is the
5 phenomenon where the relevant consumers understand that an
6 ordinary descriptive mark is actually a source identifier
7 for a single source. The law says that consumers do not
8 have to know who the source is. They just have to
9 understand that there is a single source. The source can be
10 anonymous.

11 As compared to the suggestive mark, Your Honor,
12 the mark is descriptive if it defines the qualities or
13 characteristics of a product in a straightforward way. I am
14 just quoting right out of the Sermando case. "It defines
15 the qualities or characteristics of a product in a
16 straightforward way that requires no exercise of the
17 imagination to be understood."

18 That's clearly not the case here. BruxZir
19 requires people to separate the two pieces out, reason that
20 that probably indicates what the material of the product is,
21 reason that bruxism is a medical condition, and the product
22 is maybe suitable to treat that medical condition. That's
23 multi-stage reasoning that it is a suggestive mark, not
24 descriptive.

25 Nevertheless, if Your Honor is inclined to

1 possibly find that the mark is descriptive, we think very
2 strongly against a secondary meaning. First of all, the
3 fact of the registration creates a presumption of secondary
4 meaning. I will be candid with Your Honor. There is at
5 least some lack of clarity in the Ninth Circuit on this due
6 to -- certainly in the Sermando case. I think the clear and
7 more longer standing principle of law is the Ninth Circuit
8 is the Americana Trading Case. That's 956 F.2d 1284 from
9 1992 where the Ninth Circuit said, "Registration carries a
10 presumption of secondary meaning." In that Americana
11 Trading case, the Ninth Circuit went on to say that the
12 party that was challenging the mark bore the burden to
13 demonstrate that there was no secondary meaning.

14 Again, I want to be candid with the Court. There
15 is a footnote in the Sermando case, Footnote 7, which
16 suggests to the contrary and citing to a Second Circuit
17 case. I think it's doubtful the Ninth Circuit intended to
18 overrule itself by a footnote, but there is those two
19 competing lines of authority.

20 In any event, no matter who bears the burden, I
21 think there is ample evidence of secondary meaning. The
22 factors -- the considerations for secondary meaning are set
23 out in various cases, the Yellow Cab, the Philippino Yellow
24 Pages case, which is 198 F.3d 1143. Among the factors
25 are -- the most commonly cited factors are whether actual

1 purchasers of a product bearing the mark associate the mark
2 with the producer, the degree and manner of advertising
3 under the mark, the length and manner of use of the mark,
4 whether the use of the mark has been exclusive, the mark
5 holder's amount of sales and the number of customers,
6 intentional copying by the infringer, and evidence of actual
7 confusion.

8 You have heard some evidence on some of these
9 factors earlier today. I am not going to repeat all that
10 evidence. Suffice it to say, particularly on issues of
11 degree and manner of advertising, length and manner of use,
12 mark holder's amount of sales, number of customers, you
13 heard my colleague Mr. Graves address those issues. They
14 are largely undisputed, Your Honor.

15 With respect to the copying, you heard Mr. Graves
16 address that as well. There is at least sufficient evidence
17 to infer that Mr. Keating copied our mark when he came with
18 the "KDZ Bruxer" mark.

19 There is also evidence with respect to the first
20 issue, that in fact customers do associate the "BruxZir"
21 mark with Glidewell. For example, the declaration of Dr.
22 Donof who is a dentist. This is Docket No. 90-1, Exhibit A.
23 Dr. Donof states at Paragraph 10, "Since learning about
24 Glidewell Labs' BruxZir brand zirconia crowns and bridges in
25 2009 and through the date of this declaration, I have

1 strongly associated the 'BruxZir' trademark with Glidewell
2 Labs' zirconia crowns and bridges because I have observed
3 that Glidewell has extensively promoted its zirconia crowns
4 and bridges under the 'BruxZir' trademark."

5 So he is saying that he has seen this massive
6 advertising campaign through multiple channels: conventions,
7 websites, direct mails, e-mail blasts and so forth, and that
8 has had an effect. That has led him to conclude or has
9 cemented in his mind a connection between the "BruxZir" mark
10 and Glidewell. There is very similar testimony from the
11 other six dentists in the declarations which you will find
12 in the record.

13 With respect to the degree and manner of
14 advertising under the trademark, the evidence is undisputed.
15 Again, I don't want to repeat what Mr. Graves said, but I do
16 want to put a bit of a nuance on it because Ninth Circuit
17 law says that you need to assess secondary meaning as of the
18 time the accused infringer enters the marketplace with its
19 infringing mark. Again, here that was April 2011. The
20 numbers that my colleague, Mr. Graves, indicated earlier
21 were up to a later point in time. I think maybe
22 November 2012. Nevertheless, if you look at the period up
23 to April 2011, the "BruxZir" mark was introduced in
24 June 2009. If you look at the period from June '09 to April
25 2011, the numbers are still quite impressive. Glidewell

1 spent approximately \$1.3 million in that period to promote
2 the "BruxZir" brand crowns and bridges.

3 Through that period, it had approximately 95,000
4 page views on its website. It had started immediately upon
5 introduction of the "BruxZir" mark in June '09 it's regular
6 campaign of quarterly e-mail blasts, direct mailers, press
7 releases, advertisements in dental publications,
8 presentations, trade shows, conventions. You will see
9 detail about all of these things in the declaration
10 principally of Jim Schuck, who is our VP of Sales and
11 Marketing. He lists out all the conventions that he and his
12 colleagues have gone to. He said that at every convention
13 they displayed a "BruxZir" mark in association with
14 Glidewell Lab's name, handout, brochures, signage on the
15 table and so forth, a very extensive effort. Again, this is
16 all before April 2011.

17 Some other data points with respect to the length
18 and manner of use of the claimed trademark -- again, another
19 one of the secondary meaning considerations -- Glidewell has
20 sold up to the period of April 2011 more than 390,000 units
21 of BruxZir brand dental restorations to over 33,000
22 customers. Again, up through April 2011, Glidewell had more
23 than \$35 million in BruxZir brand dental restoration sales.
24 So even looking at the period just up to April 2011, you see
25 very significant sales figures, a very significant marketing

1 and promotional campaign effort, and you see from the
2 testimony of dentists that that campaign has been
3 successful.

4 If you will just give me one moment to make sure I
5 have covered the points.

6 THE COURT: Why don't you check with your
7 colleagues also. Same courtesy.

8 (Plaintiff's counsel conferring.)

9 MR. SHAW: There is one final point I would like
10 to make. This comes right out of the statute, 15 USC 1064,
11 subparagraph 3. It says, "The primary significance of a
12 registered mark to the relevant public shall be the test for
13 determining whether the registered mark has become the
14 generic name of goods or services on or in connection with
15 which it has been used."

16 "Primary significance," those are the words out of
17 the statute. So what they need to do is show more than one
18 or two instances of purported generic use. One web page
19 here, one prescription form there -- they need to show that
20 the primary significance of the word "BruxZir,"
21 B-r-u-x-Z-i-r, or its purported phonetic equivalent was the
22 generic term for zirconia crowns and bridges among a majority
23 of the buyer group. That's what primary significance means.
24 It means that the majority of their customers or potential
25 customers regarded that word, "BruxZir," to be generic.

1 It's not enough to show a couple of instances here and
2 there.

3 I would submit that when you scrutinize they're
4 evidence particularly in view of the relevant time period of
5 April 2011 they have no evidence that supports a generic
6 use. At best, they have little odds and ends that are not
7 sufficient on which somebody could say that that is the
8 primary significance or the majority use understanding of
9 this word.

10 Unless the Court has any questions, that's all I
11 have.

12 THE COURT: Counsel.

13 MS. ZADRA-SYMES: Your Honor, in the interests of
14 time, we believe all our arguments in response to present
15 counsel's submissions are in our reply brief on our motion,
16 which is in Docket No. 132.

17 The only point I would like to --

18 THE COURT: I'm not limiting you. In other words,
19 you have the lectern and have equal courtesy and equal time.

20 MS. ZADRA-SYMES: Thank you, Your Honor. Our
21 arguments are addressed in Docket No. 132, which is our
22 reply on our motion.

23 One issue I would like to address is the repeated
24 argument that the timing of the genericness had to be proven
25 as of April 2011. In fact, Keating -- and we submitted all

1 this in our reply brief. Keating didn't actually publicly
2 launch its product until May. The first sales were made in
3 May. There was an announcement that went out on March 31
4 stating that the new product was coming out to the public.
5 Prior to that it had been in a beta testing form and only
6 sold to Keating's current customers.

7 But there is additional evidence of third-party
8 use that goes up until May 2011, including prescription
9 forms that were written by at least one dentist, Dr. Nassir,
10 in May 2011, and his declaration has been submitted as
11 Docket No. 104. There are also additional prescription
12 forms that predated May 2011 or very close to that time
13 frame in the Fetura exhibits, which are at Docket No. 96.

14 Then, again, Your Honor, in our reply brief, we
15 listed a lot of evidence on pages seven through nine of the
16 evidence that did exist prior to that time, and that
17 includes lots of generic use of the term "bruxer" in
18 connection with bruxer patients, and that includes packets
19 going back to 1980, dentist journals in the 1990s. It's a
20 voluminous amount of evidence. I hesitate to go through it
21 right now, but it's listed in our brief at pages seven
22 through nine.

23 The other point counsel made is that descriptive
24 terms are okay if they are used in text, but you cannot put
25 them into your trademark. That is not the law. That's why

1 there several Pepsis. There is Pepsi Cola, Coca-a-Cola,
2 Shasta Cola. That's why the Trademark Office has a
3 disclaimer process for people to actually disclaim the
4 descriptive term in a mark. Just because somebody takes the
5 descriptive term and puts in the mark doesn't make them an
6 infringer. That's not the law.

7 By analogy, the term -- if somebody used the term
8 "boxzer," b-o-x-z-e-r for boxing gloves and they got a
9 registration for that somehow, they can't go after other
10 people who make boxing gloves because they used the word
11 "boxer," b-o-x-e-r. That's just not the law. They don't
12 suddenly become infringers. They are entitled to name their
13 product as to what they are, to identify them, to compete,
14 and to actually use the name of the intended use in their
15 mark so that people know what it's for.

16 In Keating's example, Your Honor, Keating has
17 actually disclaimed in the Trademark Office -- has actually
18 disclaimed the word "Bruxer" in its mark because it knows
19 it's a descriptive term and that other people are entitled
20 to use it in their trademarks.

21 Your Honor, with regard to the footnote in
22 Sermando regarding the kind of presumption you get from the
23 registration when the secondary meaning evidence has not
24 been given to the trademark examiner, Sermando said that you
25 do not get a presumption of secondary meaning if the

1 examiner has not reviewed any evidence of secondary meaning,
2 and that makes total logical sense because you get the
3 affirmative presumption of inherent distinctiveness, which
4 is what Glidewell has been arguing they have all the time.

5 So in the case that they were relying on, American
6 Trading, the parties actually admitted that the marks are
7 descriptive, so secondary meaning evidence -- it was
8 acknowledged in that case. In this case, there has been no
9 evidence of secondary meaning presented to the examiner, so
10 the examiner didn't have anything to make a decision as to
11 descriptiveness and secondary meaning when he registered his
12 mark. It went to registration without any type of evidence
13 submitted.

14 There was one other point that counsel raised
15 about -- claiming that the testimony of Mr. Keating and
16 Mr. Brandon -- I would just like to read to the Court what
17 the witnesses actually said. Mr. Keating did not admit that
18 Glidewell had a protectable trademark. What Mr. Keating
19 actually said on the pages cited was, "Doctors have been
20 using the name 'bruxer,' b-r-u-x-e-r, for a strong crown
21 forever, be it gold, be it zirconia. Now, it's kind of a
22 generic name for an all-full model of the crown. You can
23 see it on the internet and everything else for bruxer
24 crowns. I just think it's for grinding patients, a
25 full-contoured monolithic zirconia crown for bruxers."

1 So when Mr. Keating stated in his deposition
2 shortly after that testimony that the word "bruxer" is not
3 used in any other way in the industry, he was referencing
4 his responses to the entire line of questioning and not
5 referring purely to the Glidewell mark. It was clearly
6 inconsistent with what they are actually saying.

7 This is addressed at page 12 of our reply brief.
8 And the same for Mr. Brandon. The testimony was
9 mischaracterized as well on some of the Keating documents.
10 It's all dealt with in our reply brief.

11 There is absolutely no evidence of copying by
12 Keating. The mark was clearly adopted in good faith. The
13 suggestion that Keating adopted this mark in bad faith is
14 completely without any merit and without any support
15 whatsoever.

16 Opposing counsel relied repeatedly on declarations
17 from dentists that were obtained by Glidewell and served on
18 us shortly before midnight on the discovery cutoff. Those
19 witnesses have never been identified at any point during
20 discovery, and as you know, the Court denied the plaintiff's
21 request for three months of additional discovery, but it
22 wasn't appropriate for those depositions to take place.

23 The same goes for Dr. Franklyn, Your Honor, who is
24 actually a law professor. In his deposition which I
25 personally took, he testified repeatedly that he had no

1 experience in the dental industry, had never spoken to the
2 dentists at all in connection with this case. The only
3 person he spoken to was Jim Schuck, the plaintiff's
4 marketing director, and yet he now comes forward with a
5 declaration served on us on the discovery cutoff in which he
6 purports to suddenly have interviewed ten dentists who were
7 never disclosed to us and now says that -- interviewed the
8 dentists and says now he proposes evidence of the perception
9 of dentists in the marketplace. So his declaration, his
10 testimony, his rebuttal reports, are all completely
11 inadmissible under Federal Rule 37(c) and also contradict
12 his deposition testimony.

13 Dr. Goldstein, as Mr. Janskowski already has
14 pointed out -- his report was served on the discovery
15 cutoff, well after this Court's deadline for depositions, so
16 we had no opportunity to depose him.

17 With regard to opposing counsel's argument that
18 the fact that we made an alternative argument of mere
19 descriptiveness was somehow an admission is absurd. I have
20 been practicing 22 years of trademark law. I have never
21 heard that made. It's very common to make alternative
22 arguments of descriptiveness and genericness in trademark
23 cases. I have shown that by all the Ninth Circuit cases
24 that plaintiff's counsel has cited.

25 The only other point I would like to make is there

1 is not one case that has been cited by opposing counsel in
2 which a trademark owner had adopted a mark that was
3 phonetically equivalent, the exact same sounding word, as
4 the intended user of the product, which themselves promote
5 heavily by the use by the intended user. There is no case
6 they have cited on that point.

7 Again, going back to the boxer analogy -- it's
8 much harder to talk about it when you are dealing with
9 dentist perceptions because none of us our dentists, but if
10 you are talking about boxing gloves, we all know what they
11 are. If somebody is trying to trademark the word "boxzer,"
12 b-o-x-z-e-r, and then prevent other people from using the
13 word "boxer" on boxing gloves, that's clearly contrary to
14 trademark law. People have a right to compete.

15 Your Honor, with regard to the remaining arguments
16 by counsel, I address the Court to my reply brief. Again,
17 it's Docket No. 132.

18 Thank you, Your Honor.

19 THE COURT: Do you want to check with your
20 co-counsel for just a moment?

21 (Defense counsel conferring.)

22 MS. ZADRA-SYMES: That's fine, Your Honor. Thank
23 you.

24 THE COURT: Counsel. Now, this is limited. You
25 have got about five minutes.

1 MR. SHAW: I understand, Your Honor. Many points
2 were made that were addressed earlier. I am not going to
3 retread old ground. I just want to address a handful of
4 those points.

5 Counsel states that we have not cited any case in
6 which the mark was the same as the intended user. Well,
7 Your Honor, I talked at length about the movie buff case,
8 the "Movie Buff" trademark. That's exactly the situation
9 there. The trademark at issue was "Movie Buff." The
10 product was information or services directed to people who
11 were movie buffs, people interested in movies, interested in
12 the entertainment industry. That's exactly what that case
13 was. The Ninth Circuit found that the "Movie Buff" mark was
14 suggestive, not generic, not descriptive.

15 I would also refer Your Honor to the Entrepreneur
16 case, 279 F.3d 1135 (2002 Ninth Circuit case). There the
17 mark "Entrepreneur." It was a magazine title. In that case
18 the mark was found to be descriptive, not suggestive, not
19 generic either. There the mark was the intended user,
20 entrepreneurs. These would be people who would be buying
21 the magazine, the products at issue in that case. The mark
22 was descriptive, not generic.

23 On the issue of the dates, clearly April 2011 is
24 the admitted date on which Keating began using its mark.
25 This is the date that they had in their answer and

1 counterclaim. I'm not -- it's simply an admission from
2 Keating. I will cite you to the docket, Docket 57-1 at page
3 13, lines 11 to 12.

4 Now, counsel also mentioned a press release from
5 Mr. Keating or Keating Dental announcing the introduction of
6 its KDZ Bruxer product. That press release is Exhibit F to
7 Mr. Keating's declaration, which is Docket No. 95. That
8 press release is March 31, 2011. So they issued a press
9 release at the end of March. They begin using the mark in
10 April. That's consistent with their answer and
11 counterclaim.

12 The fact that they didn't sell any until May is
13 not the issue. The issue under Ninth Circuit law is when
14 did the infringer enter the marketplace and begin using the
15 mark? Clearly, that's April 2011.

16 With respect to the issue of Mr. Keating's
17 testimony, Your Honor, conveniently counsel left off the
18 portion of the transcript that's at issue here. I will just
19 read it. It's short.

20 "Q. Is there a word 'bruxzir'" -- and it's
21 spelled out in the transcript here -- "'b-r-u-x-z-i-r' in
22 the industry?

23 "A. What's that?

24 "Q. Is there such a word?

25 "A. What?

1 "Q. B-r-u-x-z-i-r.

2 "A. Is there such a word? I don't understand the
3 question. That's Glidewell's name for their monolithic
4 crown.

5 "Q. Is it used in any other way in the industry?

6 "A. No."

7 It couldn't be clearer than that.

8 That's all I have, Your Honor. Thank you.

9 THE COURT: Counsel.

10 MS. ZADRA-SYMES: Just to clarify on the press
11 release that opposing counsel referenced, it wasn't a press
12 release. It was a letter to Glidewell's customers that was
13 announcing that the pricing for the product would be
14 available in May, so it wasn't a press release to the world
15 or anything like that. That's the only clarification, Your
16 Honor.

17 THE COURT: Okay. Counsel, where could you like
18 to go from here?

19 MR. GRAVES: Well, Your Honor, just to bring the
20 Court up to speed on where we are generally in the case, we
21 have a trial date set for February 26. The parties just
22 today agreed to conduct a mediation before retired
23 Magistrate Judge Alfonte on January 3.

24 THE COURT: Regardless, I think that concludes the
25 arguments this evening.

1 MR. GRAVES: Yes, it does.

2 THE COURT: Why don't you go through your notes.
3 Sit down for just a second. I am just giving you a chance
4 to converse. I know how hard you have worked on the case.
5 You can talk to your clients. You are not stuck in your
6 seats. See if there is anything they are concerned about
7 that they want to impart to you.

8 (Counsel conferring.)

9 THE COURT: Counsel, have you had enough time?

10 MR. GRAVES: Yes, Your Honor, just one point.
11 Your Honor, taking the point you made earlier today to
12 heart, we believe with respect to the Court's analysis
13 concerning Keating's summary judgment motion that the wisdom
14 of the jury is the most likely vehicle to lead to a just and
15 accurate result. That's one reason possibly why the Ninth
16 Circuit has said in a number of cases, including Fortune
17 Dynamics which we cite in our brief, that summary judgment
18 in the trademark law context, particularly with respect to
19 issues of the Sleekcraft factors, is highly disfavored.

20 There is certainly a plethora of cases looking at
21 the factual -- similar to what we have here with respect to
22 Keating's motion that find -- both affirming -- well,
23 typically reversing District Courts' entries of summary
24 judgment on behalf of the defendant finding that the
25 evidence that was submitted was sufficient, particularly in

1 this highly factual intensive trademark law context to
2 support a finding of a genuine issue of fact. So, Your
3 Honor, we would just humbly submit that the wisdom of the
4 jury should be our guide here. Thank you.

5 THE COURT: Counsel.

6 MS. ZADRA-SYMES: Your Honor, thank you. I have
7 just one final point. I would just like to read from Docket
8 85, which is our Memorandum of Points and Authorities in
9 Support of Defendant's Motion for Summary Judgment
10 Cancelling Glidewell's Trademark. It's from an e-mail by
11 Dr. De Tolla, Glidewell's employee dentist, to Mr. Jim
12 Schuck. It reads, "No other crown has ever been marketed as
13 a crown for bruxers, b-r-u-x-e-r-s. The name BruxZir,
14 B-r-u-x-Z-i-r, sells the function of the crown and not the
15 aesthetics. It doesn't try to be something that it's not.
16 It's a crown for bruxers. We have so much aesthetic
17 restorations. I would prefer to emphasize its physical
18 advantages. And, yes, what I should use on a grinder?
19 Bruxer is a great answer."

20 Then in his deposition he testified, "I thought it
21 was clever because of the z-i-r for zirconia that the
22 dentist was going to know what was in there."

23 We just would like to draw those facts to the
24 attention of the Court with regard to the validity of
25 Glidewell's mark. Thank you.

1 THE COURT: Well, you started to mention that you
2 were going into mediation, so let me talk to you both about
3 that. Sometimes we try not to cause harm, and I am about to
4 issue in some form motions that can be dispositive of this
5 matter. They may not be. I will take that under
6 consideration now.

7 If you really believe in good faith that there is
8 an opportunity for mediation between the two of you, then
9 you need to tell me that because normally when I get to this
10 stage at summary judgment, I have already said to the
11 parties if you are going to mediate, you are going to
12 mediate before you get to this stage. I hope I told each of
13 you that because I speak to so many counsel I may not have.
14 But usually my mantra is you are to go to mediation before
15 summary judgment. The reason for that is if you can reach a
16 resolution then you don't put yourself in this position.

17 My problem is I don't want to hold up whatever
18 that eventually ruling would be, and the reason for that is
19 I am carrying 400 cases. So if I get 200 cases just
20 churning -- well, 100 cases even -- then I have to come back
21 to your matter, and it's not fresh in mind.

22 So when did you two decide you are going to
23 mediation? You said --

24 MR. GRAVES: January 3.

25 MS. ZADRA-SYMES: But, Your Honor, we weren't

1 expecting to have your order before that time.

2 THE COURT: Okay. Well, as long as that's the
3 expectation. I'm not sure you will. I think you will. We
4 will try, but I'm not certain we will turn it out with the
5 Christmas and the New Year's holiday that quickly.
6 Hopefully we will. It just depends on the Med Cap matter we
7 heard today. We are going to be devoting a lot of resources
8 to that as well. So we will do our best, but if not, you
9 can of course delay the mediation. I don't want to do that
10 on the judge's calendar. It's not fair to them, so we will
11 make every effort.

12 I want to thank you both very much. I hope you
13 have had enough time to make your points. Good-night.

14 MR. GRAVES: We would like to thank you on behalf
15 of our client for spending the time with us today. We truly
16 appreciate it.

17 THE COURT: It's absolutely a pleasure. I
18 appreciate all of you. You guys go and have a good holiday
19 now. I am going to just sit and contemplate what you said.

20 (Whereupon, the proceedings were concluded.)

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C CERTIFICATE

I hereby certify that pursuant to Section 753,
Title 28, United States Code, the foregoing is a true and
correct transcript of the stenographically reported
proceedings held in the above-entitled matter and that the
transcript page format is in conformance with the
regulations of the Judicial Conference of the United States.

Date: January 12, 2012

/S/ Sharon A. Seffens 1/12/12

SHARON A. SEFFENS, U.S. COURT REPORTER

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